FEATURING BANKING

THE FINANCIAL POST

The Canadian Newspaper for Investors

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U.S. INDUSTRIES WATCH CLOSELY TARIFF CHANGES

British Preference and High Duties Will Mean New Factories

THE TARIFF OUTLOOK

Not Likely That 7½% War Tax Will be Wiped Out But Reductions Sure to be Made

By Resident Representative.

NEW YORK.—The final solution of the tariff question in Canada will apparently have not little to do with the future of the Canadian-American commercial relationship. American manufacturers, particularly those with branches in Canada are watching with a great deal of interest the progress of the tariff controversy in Canada. Most of the American-owned factories in Canada were established on account of the tafiff, and all of them would suffer heavy loss were the country placed on a free trade basis, or even if very material reductions were made in the present tariff wall.

From the viewpoint of the American, either established in Canada or contemplating the establishment of a factory, the retention of the high tariff is to be desired. The retention of a high tariff and the adoption of Imperial preference will undoubtedly result in the establishment of a number of American factories in Canada. The more far-sighted American manufacturers are already quite awake to the possibilities of such a situation and New York agencies of Canadian banks have, within the past few weeks, received quite a number of inquiries from American manufacturers looking toward the establishment of branches in Canada in the event of the Canadian tariff wall standing and Imperial preference becoming a fact.

And not only would factories be established, but a great volume of trade, which, under present conditions, flows from the United States to different parts of the British Empire, would be diverted so as to pass through Canada. Some conception of the way in which this might work out can be gained by two transactions noted by your correspondent during the past week. One involving the sale of a carload of broom handles sold by an American exporter to an English house, was finally closed on the basis of the purchase and shipment of goods from Canada, in order that the purchaser might take advantage of the freedom from import restrictions of Canadian goods. The other was a somewhat similar transaction, having to do with the sale of a large quantity of paper.

As indicated by this dispatch British preference promises to have an important effect upon industrial development in Canada and reports available from a number of sources in this country, particularly along the border in the Niagara power belt, confirm the report of the interest of American manufacturers.

So far as the Canadian tariff is concerned it is not likely that there will be any drastic reduction. The Government not only realizes the necessity of maintaining industrial prosperity but of keeping up the tariff revenue. Reports from Ottawa do not indicate that even the 7½ per cent. war tax will be removed at one clip but that there will rather be readjustments along the line affecting necessities while top schedules will be maintained on luxuries.

The extension of further preference by Great Britain entails possibilities of reciprocal treatment by the Dominions and in this connection there has been a rumor that the Canadian preference may be made as much as 50 per cent. However, it is not likely that any change will be on a flat basis but will rather be in the way of readjustment which will take into consideration the interests of the industries affected. A straight 50 per cent. preference would seriously affect several branches of manufacturing.

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SCOTIA-DOMINION MERGER

Rumor Again Renewed But Evidently Little In It

By Resident Representative.

MONTREAL.—The talk in Stock Exchange circles of negotiations for a merger of Dominion Steel Company and Nova Scotia Steel Company having been commenced again, is unfounded THE FINANCIAL POST learns. It is believed in some circles here that the rise this week of 10 points in Scotia in New York was influenced by a desire to place the price above that of Dominion Iron stock in case a merger should be revived.

It is not believed here that the proposed legislation of taking away from Dominion Steel certain coal areas and transferring them to Scotia will go through.

SAMUEL GOMPERS' SERVICE TO CANADA

Business Men and Workers of This Country Will Extend Deepest Sympathy to Him in His Present Troubles

Canadians who know Samuel Gompers, or who are familiar with the great work he has done for labor on this continent, will learn with deep regret of his serious injuries, when a street car struck the taxi-cab in which he was riding. To add to the troubles of this grand old man, his wife is so very ill that she cannot even be told of the accident.

This country is particularly indebted to Mr. Gompers. When our War Mission went to Washington to solicit American business for Canadian factories and workers, they were politely received, but every effort to secure orders failed. Lloyd Harris finally discovered that the Americans wanted all the business for themselves. The Southerners, long anxious for the development of industries in these states devastated by Civil War, felt that this was their great opportunity. Their friends were all powerful at Washington, and they secured hundreds of millions for the erection of new plants.

To make matters worse for us, the German agitators, backed up two Toronto evening papers, prevented Hon. Mr. Bryan—late Prime Minister of the United States, and intimate friend of President Wilson—from speaking at a gathering of temperance enthusiasts, and blamed it on the returned soldiers. Luckily for us Sir Robert Borden instantly apologized on behalf of Canada to the people of the United States, and half a dozen United States secret service men who were instantly despatched to Toronto found and reported German propagandists were responsible for the insult. Just when so indefatigable a salesman as Lloyd Harris, head of our mission in Washington was about to give up, he was surprised to receive the first of many millions of business for Canada. He probably is still unaware that it was the kindly personal work of Samuel Gompers that induced President Wilson to instruct his associates to pass some of the orders to Canada.

STEEL PRICE SITUATION

Producers are Willing to Re-open Question

WASHINGTON.—Assurance that steel producers are willing to reopen price conferences with the Railroad Administration, have been received from Judge Gary. The assurances were given Secretary Reid of the Industrial Board at a meeting with Gary yesterday in New York.

Setting of a date for renewal of the conferences depends on a meeting that probably will be held to-day in St. Louis with Rail Director Hines, Chairman Peek and Secretary Redfield, board officials here said.

MONTREAL SEAT AT $26,500

John Pitblado Secures Membership at $1,500 Increase

By Resident Representative

MONTREAL.—The seat on the Montreal Stock Exchange, held in the name of R. O. Johnson, of Greenshields & Co., was sold for a price, said to be $26,500, to John Pitblado, of Pitblado & Co. This price compares with $25,000 in the last sale and $18,000 early in the war. The seat now transferred was formerly held by the late Capt. Melville Greenshields and transferred by him to Mr. Johnson. Charles M. Black, however, is the regular representative of this firm on the Exchange and will continue to be.

SEEDING IS NOW GENERAL OVER WESTERN CANADA

Weather Conditions Ideal and Good Progress Being Made

THE WHEAT SITUATION

Rumors That a Bonus on Fixed Price is Being Paid in the States—May be Outlet for Canada's Supplies

By F. M. CHAPMAN
Editor "Farmers' Magazine"

Seeding in Western Canada is general, under ideal conditions. In some sections of Saskatchewan, the leading wheat province, already seventy-five per cent. of the crop is now in, wires Edward Oliver, of the Statistics Branch, Regina. A big farm operator from the Regina-Moose Jaw section reports his whole crop safely sown, with the soil conditions first class. Winter rye in Western Canada, and Fall wheat, both in Alberta and Ontario, have come through in excellent condition. Seeding in the East is not as forward as it ought to be. The cold weather of the past week has retarded the drying of the clay soils. From all points comes the report that the acreages of grains will be as large as last year, although labor scarcity is acute in some sections. Probably the labor situation both East and West, is worse with the farmers than at any time during the war.

Is U. S. Wheat Bonus Paid?

Rumors are filtering through from the United States that the farmers are getting a bonus on their fixed wheat price, as the mills are doing a big export business with neutrals and former enemy countries. Mr. Hoover, the permanent chairman of the food section of the Supreme Economic Council, is reported in the N.Y. Sun as saying that the United States will supply to Europe during the year ending next August foodstuffs valued roughly at $2,500,000,000. Enemy countries and neutrals will pay cash for what they receive, while the allied countries are being aided by funds appropriated by Congress.

Mr. Hoover further said he wished to emphasize that the control of the price of wheat would be maintained to the full extent of existing authority and that the American consumer need not be alarmed that there would be a material rise in the price of that food essential. America could sell more wheat than she had, but the exports were being regulated to reserve a sufficiency for domestic needs.

This statement by Mr. Hoover would lead one to believe that there was some keen competition for wheat in the U.S., owing doubtless to their heavy export business.

There seems to be some nigger in the woodpile here. Will the U.S. take off the restrictions in flour from Canada to overcome the apparent local shortage?

An Outlet for Canada

The Canadian stock will likely get some outlet soon. There are some 117,739,000 bushels of wheat on hand in Canada, with a little over 32,000,000 in farmers' hands. In the matter of oats 33 per cent. of the 1918 crop in the farmers' hands, with prices not at good as they were last Fall, while the cereal mills are practically idle. There is more hope that these will be put under the control of the Wheat Export Board at their meeting this week in Winnipeg, which would have a tendency to start things going here.

Just what will happen with prices when the new crop comes in is problematical to everyone. The U.S. Relief Administration proposes that the last of the food ships under its control shall sail from the United States before July 1. The harvest in Europe will then enable Europe to go on for some months without assistance. It was too early to make any prophecy as to whether the industries in Europe would enable a normal purchase of food next year.

The U.S. Wheat Crop

The wheat crop in the U. S. is one of the most promising in its history. The condition figures representing per cent. of normal show the winter wheat at over 99 per cent. as against a ten year average of 82.3, with the acreages nearly double any previous record. The next U. S. crop report issues on May 8th, at 2.15 p.m.

The Banks and Their Service to the Public

The public is constantly demanding more from business and financial institutions—including the banks—in the shape of service. This is a situation which must be faced. In some cases the patrons of big corporations are undoubtedly entitled to more consideration. The great problem is to decide where the line should be drawn. The public is not entitled to and cannot be rendered service for which it does not pay. In many cases a false economic basis has already been established in this connection.

The solution appears to lie in education—to bring the patrons of public service institutions to understand the business principles involved. Canadian banks for example are rendering to the Canadian people a valuable and efficient service. There is no more stable banking system in the world. Yet there are complaints—particularly from Western Canada—which indicate that some people do not understand the banks. Also there is evidence that the banks have not always done all they might to make themselves understood, and their services appreciated.

In this issue of THE FINANCIAL POST an effort has been made to analyze different phases of the banking situation, with the view to showing how efficiently business and national needs have been served during the war, while at the same time the interests of depositors and shareholders have been fully safeguarded. The banks might do well to work along similar lines. The evidence goes to show that the system, so sound from the technical standpoint, has rather ignored psychology. There has been little done to bring the banks and the public to a closer understanding of each other. At the present time a progressive campaign is being launched through the Canadian Bankers' Association to meet the Western agitation against the branch bank system and to increase the responsibility and the interest of the branch manager in meeting public complaints.

That the banks are endeavoring to give service to the small borrower as well as the big business institution is indicated by the results of inquiries conducted by THE FINANCIAL POST in regard to the charge of a retailer in the Peace River country that interest of 1 per cent. per month is being collected on loans. The general managers of the banks with branches at the point referred to and others have gone into the whole matter in a manner which should dispel any impression that bank customers, even on the outskirts of civilization, do not receive full consideration. An article based on this investigation appears on page 9.

There is much to be accomplished in this direction, not only in educating the public to the outstanding features of the Canadian banking system, but in breaking down that barrier between the banks and the people which is largely the result of ignorance and misunderstanding on the one hand and too much reserve on the other.

Hydro Financing and Municipal Liability

IN VIEW of the fact that a sum of over $30,000,000 is involved in the immediate plans in connection with the Hydro Radial projects it behooves both the Province and the municipalities concerned to consider where they are heading in regard to financial responsibility for the schemes of the Hydro Commission. Already the liability of the municipalities involved is between $50,000,000 and $75,000,000, while the total for all projects proposed is well above the $100,000,000 mark.

The matter is one of direct concern to investors in Ontario municipal bonds and it has already been considered by the Investment Bankers' Association of America. In fact THE FINANCIAL POST understands that inquiries are now being conducted by this organization with a view to taking steps if necessary to throw some light upon the situation in the event of issues being offered in the United States. Despite the liability already involved in the Hydro power projects there is nothing to indicate it in the balance sheets of the municipalities, which are in the last analysis the actual owners.

In connection with the financing of the radials, however, it is plain that the Hydro Commission was not willing to follow the procedure pursued in connection with the distribution of power, where the cost of transmission, interest and bond sinking fund is supposed to be charged to the contracting municipalities in their power bills.

The Hydro Radial construction is to be financed by the issue of Hydro or Provincial bonds secured by the issue to the Hydro of various municipality bonds as follows:

				Estimated
Toronto to Whitby line	18	municipalities	Total	4,346,938
Toronto-London line	31	"	"	13,734,155
Port Credit-St. Catharines	17	"	"	11,360,366
Welland-Bridgeburg	8	"	"	2,208,716
Totals	69	"	"	$31,650,175

Even if the estimates of cost are not exceeded these 69 municipalities have passed by-laws to issue bonds to the total of $31,650,175 or any greater amount that may be assessed to them by the association.

In view of the experience of railways, and especially radial railways, in Ontario and in fact almost everywhere on this continent, it is a fair conclusion to come to that these bond mortgages may eventually be foreclosed and the municipalities called upon to make good their liabilities.

It is clear to any one versed in railway statistics that the rates which the Hydro Radials will be allowed to charge, if any control of rates is to be exercised, will not enable interest charges on this investment to be met. If rates are uncontrolled and service rendered at cost, it is equally plain that the traffic will not patronize the radial system.

When the municipalities shoulder this $30,000,000 liability it will be in addition to the already heavy obligations in regard to the Hydro power development for which they are responsible. As previously pointed out, these do not appear in their balance sheets. Yet the liability is a real one as the Province has carefully and specifically avoided it. The Clarkson report as of October 31st, 1917, shows these liabilities to total the huge sum of $28,950,803.85, not including the Ontario Power Company property or the new Chippewa development, which is now estimated to cost about $28,000,000 more, a total of $50,000,000 to $75,000,000.

The municipalities should consider their position carefully. These liabilities cannot be undertaken without affecting their credit position and the market value of their securities. Not only is the Hydro power scheme as carried out questionably sound and the future of the Hydro radials uncertain from the standpoint of being able to support themselves but the Chippewa scheme is a speculative one. So far as THE FINANCIAL POST has been able to ascertain the engineering features have been conceived and are being carried out by the Hydro staff without reference to approval of any experienced hydraulic engineer. Further, the Ontario Power Company plant, which cost the Hydro about $8,000,000, may be completely scrapped when the Chippewa plant is completed. Sir Adam Beck has stated that on account of the greater head available by the Chippewa scheme that part, if not all, of the Ontario Power Company plant will be scrapped when power is available from the Chippewa development.

The fact that these Hydro projects are being carried out with the people's funds rather than with private capital will not prevent them from losing money if they are not efficiently financed and conducted on sound principles —and the consequences must be faced eventually by those who assume the responsibility.

LABOR UNREST MAY DISTURB THE MARKETS

Government is Being Criticized for Lack of Action in Emergency

PRICES ARE FIRM

Throughout All the Security Markets There Continues to be Observable a Steady Volume of Investment

Labor unrest, which has culminated in a series of May-Day strikes throughout the country and the utterance of a good deal of inflammatory talk about the overthrow of the capitalistic system, is not just calculated to improve the tone of the investment markets. Timid investors, alarmed by such demonstrations, may be inclined to sit back and wait until the air clears before venturing their money in the securities of industrial and other corporations. However, the situation is probably not nearly as bad as it is being painted in some quarters, and in relation to the general industrial organization of the country the trouble is limited in extent. The good sense of the saner-minded of both parties, coupled with the general prosperity of the country, should lead to an amicable settlement of outstanding difficulties before long.

The Government is being criticized for not showing itself alive to the needs of the crisis. The cross-country peregrinations of the Labor Commission are not going to secure that prompt diagnosis of the case and prescription of a remedy so desirable in the emergency, and evidently the Department of Labor is simply sitting back and allowing matters to run their course. The action or inaction

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Notice is hereby given that a dividend at the rate of 10 per cent. per annum upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Monday, the 2nd day of June, 1919, to shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, April 17th, 1919.

The Dominion Bank

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THE BANK OF TORONTO

INCORPORATED 1855

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EUROPE'S NEEDS ARE CUTTING INTO SUPPLY OF WHEAT

United States Finds That Supplies Are Rapidly Dwindling

MILLING OUTLOOK

Prospects for Better Business for Canadian Concerns—War Grade Flour May Again be a Necessity

By J. L. RUTLEDGE
Editor "Canadian Grocer"

The heavy demand for flour to feed the European countries has entailed an inordinate consumption that has had a serious effect on the grain reserves of this continent. The United States, the sharpest bidder for this outside business, now finds herself with grain stocks dwindling in a serious manner. So serious has this condition become across the line that there is a strong probability that the restrictions on the import of Canadian flour would be withdrawn. In this event the Canadian mills would have a new profitable market opened to them, which they would unquestionably enter with a good deal of enthusiasm, as it would obviate the necessity of constantly standing hat in hand to the Wheat Export Company. While stocks of grain in Canada are probably growing light, there has always been a substantial margin remaining in farmers' hands to be counted on, and it is well known that Canada is in a much better position in regard to supplies of wheat than is her neighbor to the south.

Despite that fact, however, there is the possibility that the supplies available will not be equal to the demands made upon them between now and the arrival of new crop wheat. Because of this, and because the United States has returned in a measure to war-grade flour, the possibility of such a change being again made in Canada is generally considered as being well within the realms of possibility, though there has been no official suggestion of any such course up to the present.

Business at the present time is good both from a domestic and export standpoint. The Wheat Export Company's orders are now sufficient to assure a run for a considerable length of time, and it is generally believed that from now on business will be regularly available. Neutral countries are becoming a factor, and as credits can be arranged will doubtless be large purchasers, so that there is a general feeling that there will be all the business, from now on, that the mills are anxious to handle.

TRACTION FINANCES

Big Companies Have Big Bond Obligations to Meet

CHICAGO.—During May about $33,000,000 of bond and note issues will mature. This is a surprisingly small amount and compares with $130,000,000 of such maturities in April and more than $83,000,000 in this month last year. It is significant that nearly half of these maturities this month represent public utility issues. The great traction companies are still finding it difficult to make both ends meet, owing to the successive advances in wages and the exceptionally high prices prevailing for rails, equipment and other supplies. The increase in operating expenses has reached a stage where it has become very difficult for some of these companies to provide for their increased outlays, even through the imposition of a six cent fare. Traction companies in four large cities are in receiver's hands. Further failures are threatened unless the roads are permitted to collect enough from their patrons to cover the increased cost of producing street railway transportation in the United States. The situation with many of these companies has become desperate and unless thoroughgoing relief is soon forthcoming, there will have to be numerous reorganizations in the effort to get these companies back upon a paying basis. The question is one of cold mathematics, and since the embarrassment of these companies would entail serious loss for several hundred thousand security holders, it is vitally important that drastic relief measures should be undertaken to preserve the solvency of the properties.

CITIES ARE INTERESTED

Sixty Municipalities in Ontario Expected to Build Houses

According to the statement issued this week by J. A. Ellis, director of the Bureau of Municipal Affairs, one-half of the cities in Ontario have already passed by-laws by which they come under the provisions of the Ontario Housing Act. The director anticipates that over sixty municipalities will be actively engaged in the construction of houses during the summer.

It is estimated that loans required by these municipalities will aggregate about $8,000,000. In several of the places construction of houses under the act has commenced. Some of the municipalities, it was stated, are making arrangements to acquire land and erect houses thereon on a large scale. Ingersoll has acquired a tract of land of over twenty-five acres in the centre of the town, at a cost of $4,000. It will be divided into about 200 50-foot lots, which will enable them to be sold at about $30 each.

The list of municipalities that have already passed necessary by-laws is as follows: Sudbury, Windsor, Sandwich, Fort William, Hespeler, Port Dalhousie, Madoc, Galt, St. Catharines, Ingersoll, Port Credit, Oshawa, Sault Ste. Marie, Ford City, Ottawa, New Toronto, Elmira, Neebing Township, Cochrane, Trenton, Sarnia, Woodstock, Point Edward, Sturgeon Falls, Leamington, Palmerston, Richmond Hill, Perth, London, Whitby, Guelph, Niagara Falls, Listowel.

GIVING COLONIES A SQUARE DEAL

Viscount Milner Says That Imperial Government is at Last Waking Up

By Resident Representative

London.—Viscount Milner, secretary for the colonies, speaking at a large gathering at Manchester, said that at last the Imperial Government was waking up to the almost boundless potentialities of the colonies. The Dominions had constantly complained that they had no share in the conduct of policy and the Empire as a whole. The complaint had been justified. The Imperial War Cabinet was devised to meet it, and it was only fair that the Dominions should continue to have a real share in the conduct of all matters which affected them as much as the Mother Country in foreign policy, in defense and so forth. But no machinery could avail unless we preserved the moral unity of the Empire. On this point the speaker attached much importance to the principle of Imperial preference The root of it all was that we were a family of nations, and that in all our policy the interest of the family should come first. We should not, therefore, go in for washy internationalism, and pretend to care as much for Paraguay and Bolivia as we did for Canada, Australia, South Africa and New Zealand.

ST. MARYS AND THE HYDRO REDUCTION

Sir Adam Beck Says Did Not Use Enough Power—Supply Was Cut Off

St. Marys.—The town of St. Marys was not in the recent list of places favored with a reduction in their Hydro rate. Immediately following the announcement Chairman C. E. Richardson, of the local board, wrote Sir Adam Beck. Sir Adam, in reply, said:

> I may say that the statement covering the annual adjustment of costs to municipalities in the Niagara District shows that the Municipality of St. Marys had not sufficient money to meet its share of the cost of power, plus the fixed charges and sinking fund with which it is chargeable, by an amount of $825.99.
>
> The average amount of power used by St. Marys for its operation during the year 1918 is 373.9 horsepower, and the revenue is $10,469.85, the costs exceeding this amount by $825.99. There was no surplus on the delivery of power during the year 1918 to the St. Marys Portland Cement Company.

The fact of the matter, according to the Journal, is "there was no surplus on the delivery of power during the year 1918 to the St. Marys Portland Cement Co.," as Sir Adam Beck says, but solely for the reason that the Hydro cut it off and diverted it to towns where there were munition plants, these towns now reaping the benefit in the way of reduced rates. Not only the town but the St. Marys Cement Co. have been losers on this score.

TO INVESTIGATE "WILDCATS"

Worthless Oil Stocks Said to Have Been Sold in New York

NEW YORK.—Sales of worthless oil stocks running into millions of dollars are believed to have been made on the New York curb market since January 1, and an investigation into the activities of brokers dealing in these "wildcat" securities will be started by the County District Attorney's office. This was announced to-day by Assistant District Attorney Waugh, who said he had received numerous complaints from persons trading with such brokers who felt they had been "fleeced." The aid of the Board of Governors of the Curb Market will be enlisted, he explained, in an effort to bring those guilty to justice.

According to Mr. Waugh, unscrupulous operators on this open market in Broad Street have taken advantage of the recent boom in southwestern oil fields to the extent of selling stock in oil companies that never existed or have never produced oil.

BRITISH PAPER TRADE ANXIOUS TO DEAL WITH US

Mills Want Canadian Pulp and Secondary Industries, Our Paper

NORWAY COMPETITION

Canadian Pulp Now Being Offered at Little Over Half Price Asked by the Norwegian Combine

London.—The rumor current in London a short time ago that British paper interest were actively operating against the placing on the home market American paper said to be produced from Canadian pulp, has, in the light of recent events, taken on a somewhat different complexion. A London representative of the FINANCIAL POST gathered from a leading spirit in the Anglo-Canadian pulp trades that, in his opinion, the trouble was due, broadly speaking, to the fact that a group of paper manufacturers in Canada were trying to unload 25,000 tons of paper on to the British market. There were already 500,000 tons of pulp awaiting shipment from Canada, and, as the available tonnage was limited, it resolved itself into a question as to whether the pulp or the paper should secure the accommodation.

It is thought that Canada has now a fine opportunity of supplying the demands of the Old Country and Europe, which amount to over a million tons. Never was there a time when the British paper trade was more anxious to deal with Canada to the exclusion of other sources than now. A representative left London for Canada in April, with orders for more than a quarter of a million tons of pulp, while Americans are still busy canvassing for trade.

Why Restrictions Lifted

The foregoing is especially interesting in view of the discussion which recently took place on the subject of paper imports in the House of Commons. It was then stated that the decision by the Imperial Government to remove the restrictions was arrived at after full consideration of the question of unemployment. Paper was a raw material for industry, and when available in large quantities it provided more employment than it did in its own manufacture. All the disinterested advice the Government could get showed that the decision was right. The British mills could produce enough paper for use in the country and for export, when fully occupied, but at the moment they could not. Many mills would temporarily close down, but that was a lesser evil than that tens of thousands of people engaged in the secondary trades would be out of work.

An Expert's View

The "Paper Maker" of London, in its issue of April 1, published an interview with F. E. R. Becker, a well-known British pulp merchant, in the course of which he remarked as follows upon Canada:

> "In sulphite we have our spurs to win; I think we shall win them. As regards mechanical, I am glad to say that we do not propose to regulate the laws of supply and demand, and we do not pretend that the trees are charging for growing, or that the water is asking a war wage for falling. We, like everyone else, have to face higher prices, of course, in consequence of the increase of wages, etc., but we are prepared to serve our customers and make a decent thing of it at a little better than half the f.o.b. price asked by the new Norwegian combine. When the Norwegian combine decided to regulate supply and demand by reduced production we shall be quite willing to slip in a few more pulp stones in Canada and absorb the business."
>
> Replying to the question on Canada's capacity for production, Mr. Baker said: "We hope to make a thousand tons per day at Chicoutimi's five mills; then there are the Nova Scotian mills, of which there are six or seven, and these have a capacity very much like the Scandinavian mills individually, varying from about 30,000 to 8,000 or 9,000 tons. Then there is the big mill at Seven Isles, so that the English and French paper makers can rest quite easy, whilst the Scandinavian waterfalls and trees continue to charge so much extra for performing their natural functions."

THE SUGAR SITUATION

An Important Factor in the Prosperity of Cuba

Sugar is, of course, the principal source of wealth of Cuba; the 1918 crop represented a value of about $355,000,000. Should weather conditions allow all of this year's crop to be harvested its value would be about $492,000,000.

For some years previous to 1914 the price of sugar had been low, but a few central factories were able to work at a profit even at the low prices. The remainder—and they were largely in the majority—were deeply in debt.

At the commencement of the war sugars doubled in value in a fortnight and the high prices enabled planters generally to liquidate their indebtedness, make great improvements in their plants and to acquire more lands.

Some years ago a factory producing 100,000 bags of sugar (about 15,000 tons) was considered to have attained the maximum production; to-day there are numerous estates making two, three or four hundred thousand bags, several whose capacity is 500,000 or 600,000 bags, and some even more. There are at present 196 central factories in Cuba, of which about 30 have been erected in the past four years.

It cannot be expected that the abnormally high prices which have ruled during the war will continue. The 1917 Cuban crop was sold at 4.60c and the 1918 crop at 5.50c per lb., both prices being for sugar delivered free on board at Cuban ports. But although these prices may not be attained, it is evident that it will be a long time before the production of beet sugar in Europe approaches anywhere near its pre-war importance.

FREE PASSAGE FOR BRITISH SETTLERS

Approved Ex-Service Men and Women to be Aided to Reach the Dominions

By Resident Representative

London.—The British Government has decided that ex-service men and women who are accepted as approved settlers under any settlement scheme of the overseas governments, or can show that they have assured employment awaiting them and are otherwise acceptable to the authorities of the Dominion to which they wish to proceed, shall have free passages for themselves and their dependents to the nearest convenient port to their destination overseas. Applications will be received for a year from Dec. 31 next, or from the date of release from service, or, if necessary, for such period as may be found requisite to afford them ample time in which to make their choice between opportunities for settlement and employment at home or in the Dominions.

GOVERNMENT AND CANADIAN NATIONAL

Minister of Railways Explains Present Position of Affairs in House of Commons

Ottawa.—Answering the leader of the Opposition in the Commons, Hon. J. D. Reid, Minister of Railways and Canals, gave some interesting information regarding the position of the affairs of the Canadian National Railways. Mr. McKenzie's questions and Mr. Reid's answers follow:

1. What responsibility has the Canadian people assumed financially in taking over the road?

1. The Dominion of Canada purchased $60,000,000 common stock in the Canadian Northern Railway, being the balance outstanding, for $10,000,000, but did not hereby assume the outstanding liabilities, which remained as debts of the company.

2. What is the mileage of the road and if we operate full mileage that was taken over?

2. The mileage of the road in operation is 9,542 miles, and all the mileage taken over is operated.

3. What does he think the rolling stock of the road is now worth, and is the road fairly well equipped as regards rolling stock?

3. It is estimated that the rolling stock of the road is now worth $67,573,092.

4. How much money does he think necessary for operation and equipment during the current financial year?

4. We have expended $22,233,107 on equipment since the Government took over the road. This equipment of course can be used also on the other Government railways.

5. The estimated deficit of the Canadian Northern Railway, after paying all operating expenses and fixed charges for the current year is $7,000,000. The estimated amount for equipment for Canadian National Railways fur the current year is $35,000,000. This covers the requirements of the entire Government system, including the Canadian Government Railways revotes.

6. How do receipts and expenditures balance as regards operations of the Canadian Northern?

6. The revenue for the calendar year 1918 was $49,201,955.18, and operating expenses $45,639,651.78, and net earnings $3,562,303.40.

7. What is the whole indebtedness now upon the Canadian Northern, and what is the present indebtedness per mile?

7. The total indebtedness of the Canadian Northern Railway as of December 31st, 1918, including funded debt, equipment securities, land securities and all liabilities outstanding, amounted to $473,174,432. The present indebtedness per mile (including equipment, land and all subsidiary companies' securities) represent $46,166.

8. What did the Government take over, and what value did they get for the responsibility and liabilities assumed?

8. The Government purchased the balance of the common stock of Canadian Northern Railway, and thereby obtained control of all of the assets of that system, representing 9,524 miles.

BOLSHEVISM IS ENCOURAGED BY OTTAWA'S LAXITY

Department of Justice Notoriously Weak in Enforcing Laws

THE CASE OF LEWIS

Revolutionary Socialist Convicted and Released on Technicality Has Been Re-Instated by P.O. Dept.

By Resident Representative

OTTAWA.—If Canada should wake up some day soon, and find that she has the menace of revolutionary socialism to contend with, as they are having to a serious extent in Europe, it will be well to bear in mind that the lax way in which the situation has been handled by the Department of Justice will be largely to blame for the condition.

It may be recalled that, some months ago, C. H. Cahan resigned as director of public safety, (a position which he had been invited to assume by Sir Robert Borden personally), because he could get no attention paid to the representations he made to the Department of Justice.

The ostrich-like policy of the department continues. It persistently ignores the danger to Canadian industry and society generally from the spreading of Socialistic doctrines and literature; and when flagrant cases of violation of the statutes regarding the possessing and circulation of banned literature are discovered, the Department of Justice supply ignores the existence of its own regulations, and affords direct encouragement to those who are abroad spreading unrest in Canada.

A Flagrant Case

One of the most flagrant instances of the miscarriage of justice yet recorded has just come to my notice in connection with the Post Office Department. It is a direct encouragement to sedition. The facts in connection with the decision have not before been published.

About the middle of February, J. H. Lewis, a railway mail clerk, was arrested in Saskatoon by the R.N.W.M.P. for being in possession of seditious literature, in the shape of a copy of the current issue of "The Melting Pot," published at St. Louis, and a copy of "War — What For?" both notorious revolutionary Socialist publications. He pleaded guilty, saying: "Well, they got the stuff on me." He added that when he bought the magazines he believed in what they stood for, and still believed it. He was convicted and sentenced to a term in prison.

The Trades and Labor Council then got busy, and employed a lawyer who found that there was a flaw in the indictment, as there should have been two separate charges. On this technicality, the conviction was squashed, but the evidence as to the guilt of the accused was clear.

The police found among his belongings many letters showing clearly that he was actively engaged in revolutionary Socialistic propaganda. There were letters from the publishers of the papers for the possession of which he had been arrested, addressing him as comrade, and suggesting that he might assist in circulating the literature.

There recently came into the possession of the representative of the FINANCIAL POST a copy of a letter written to Lewis by a fellow mail clerk, living in Regina. It was as follows:

Regina, Aug. 4, 1918.

Friend Jack:

I am writing you this letter to let you know that I am still alive and am applying for reinstatement in the service. I have written out my statement and given it to Snitzinger to have it typed. I hear that you have made quite a name for yourself as an orator. I am glad that the Civil Service sheep have asserted themselves at last (the reference is probably to the strike of post office employees). I did not think they had it in them; and one thing stands out plain, for those to see who have the eyes to see, and that is the increasing solidarity of the working mule. He is sure gathering himself for the purpose of pulling off one of "Maud's" stunts, and everlastingly kicking the whey out of somebody. He does not know just what it is yet, but he will find out one of these days, and it will be a very sad awakening for the master; for afterwards, in all probability, he will have to go to work—providing, always, that his head remains on his shoulders. I do not want to leave Regina, as we are about to form a local Socialist party of Canada here, and I would rather remain as I am than be moved from here.

Yours for the Revolution.

This letter is quoted as showing, along with the other facts cited, the attitude Lewis assumed towards the laws of Canada, and the sentiments of himself and his associates.

Reinstated by P. O. Dept.

And now we come to the point immediately at issue. On the conviction of Lewis he was, of course, immediately discharged from the railway mail service. He was released as above related, and was just in time to attend that extraordinary meeting of the Trades and Labor Congress at Calgary, where the One Big Union idea was formulated, where the Bolsheviki and their doctrines were cheerfully endorsed, and where revolutionary Socialism ran riot. Lewis put his case before them, and they took it up as they were ready to take up anything revolutionary.

The result was startling. The Post Office Department has just ordered Lewis to be reinstated in his old position, notwithstanding all that is known about him. No more direct encouragement to Bolshevism could be conceived; and whatever humilation may be felt by Lewis' superior officers, there is no doubt that the revolutionary Socialists will feel that they have scored.

All the facts regarding Lewis' case were in the possession of the Department of Justice, the Post Office Department, and the Dominion police, and there was no doubt whatever as to his actual guilt, nor as to his intentions to continue in the spreading of revolutionary propaganda. The Department of Justice, which has been notoriously lax and inefficient apparently succeeded in imposing its wishes or the wishes of the Government on the Post Office Department, an dthis self confessed criminal is restored to a position where he will have the greatest possible chance of spreading Bolshevistic ideas.—T.M.F.

CORPORATION TAX INCREASED IN N.S.

Charges on Banks, Insurance Loan, Railway and Other Companies Raised

By Special Representative

HALIFAX.—Under new legislation increasing fees on companies, the banks will have to pay $2,000 as a flat fee, $200 for every branch up to ten, and $100 for every branch over ten. This doubles their previous assessment.

Insurance companies are to pay a tax of two per cent. on their gross premiums; previously life companies paid one and three-quarters and fire and accident one. Loan companies have to pay more than double the old sum. Previously the tax was one-tenth per cent., up to $200,000 invested, and one-twentieth of one per cent. above that; now it is one quarter and one-eighth respectively, more than double. Telegraph and cable companies pay now one-quarter of one per cent. upon the cost of the line, previously it was one-tenth.

Trust companies taxes are more than doubled. Express companies are doubled. Public utilities are unchanged.

A new tax is that on steam railways, which are in future to pay $50 per mile for one track. Hitherto by statute, railways were exempt. This tax will apply to the Dominion Atlantis, Sydney Lamsburg, Inverness, Maritime (Joggins) and the St. Peter's line. Some $100,000 is anticipated from these increased and new taxes.

It is clear that these increases indicate that soon the government will take all the taxes on companies of the nature indicated and free them from municipal taxation, following their action in this regard to moving picture shows, automobiles and circuses.

BRITISH MANUFACTURERS

A Canadian Organization Has Been Formed

The Canadian Association of British Manufacturers and their Representatives has been established with branches at Toronto and Montreal. Similar associations have existed in Australia and New Zealand for several years. The objects of the association as set forth in the constitution are as follows: "'To further the interests of British trade throughout the Dominion of Canada, and to affiliate with and work in concert with kindred associations in other centres of the Dominion having similar obpects."

The government of the association consists of a supreme council, and each branch of the association will have its own local executive council. The supreme council will consist of the chairman and one councillor from each local executive. The association will consist of British subjects only:

(a) British manufacturers and wholesale exporters from the United Kingdom.

(b) Representatives and agents of British manufacturers and wholesale exporters from the United Kingdom.

Clark & Martin have opened offices on the ground floor of the Lindsay Life Building, Winnipeg, with direct wire connections to Logan and Bryan, of New York, and to Greenshields & Co., Montreal. New York, Montreal and Toronto stocks, Victory Loans, Minneapolis and Chicago grain, are quoted.

CONFISCATORY LEGISLATION IN NOVA SCOTIA

Strong Charges Against the Government's Water Power Bills

PUBLIC OWNERSHIP

Private Rights Are Evidently to be Sacrificed to Support New Political Slogan—Not the First Experience

By Special Representative

HALIFAX.—The Nova Scotia Government is pushing its "hydro-electric bill" as rapidly as it can. The measure has passed the second reading and is now before the committee, but it did not reach that stage without vigorous opposition on the part of several members, noticeably Hector McInnes, K.C., who characterized it as "wrong in principle and capable of working great injustice," and from J. J. Kinley, of Lunenburg.

The name of the bill is "An Act respecting the development of electrical energy from water power and other sources.". A companion bill to it, and which has a direct bearing and runs concurrently, is "An Act respecting water and water sources." Speaking in advocacy of the first bill, Hon. Mr. Armstrong, commissioner of public works, said the primary provision of the bill was to create a Hydro-Electric Commission, similar to the Ontario Commission, which would deal with all matters appertaining to water power, make and continue investigations into the resources of Nova Scotia in this respect, facilitate the financing of water powers, and procure more effective co-ordination between various concerns deriving their power from the same water courses. Mr. Armstrong said the vital question of public or private ownership was involved in the bill, and he believed that the trend of thought to-day was towards the largest measure of popular control of public utilities in order that the cheapest and best results might be obtained. According to the bill the governor-in-council is authorized to appoint a commission of three persons, one of whom must be a member of the government, to be called the Nova Scotia Power Commission. The commission, he said, would be vested with wide powers.

In speaking afterwards of the companion bill, referred to, Hon. Mr. Armstrong said its effect was practically to repeal the water power legislation of the last session, so that the commission idea might be made more applicable to the situation existing in Nova Scotia. The most important clauses he read as follows:

> Where any person within one year from the passing of this Act establishes to the satisfaction of the Minister that any water course or any water therein was at the time of the passing of this Act being lawfully used by him or that he was entitled to use the same, such a person shall be entitled to be authorized by the Governor-in-Council to use such water course and water therein subject to such terms and condition as the Governor-in-Council deems just.
>
> Notwithstanding any law of Nova Scotia, whether statutory or otherwise, or any grant, deed or transfer heretofore made, whether by the Crown or otherwise ,or any possession, occupation, use, or obstruction of any water course, or any use of any water by any person for any time whatever, every water course and the sole and exclusive right to use, divert and appropriate any and all water at any time in any water course is declared to be vested forever in the Crown in the right of the Province of Nova Scotia.

Mr. Armstrong concluded by saying that he thought public control was in the best interests of the province, and that the bill would not "unduly" interfere with private owners.

Confiscating Powers

In opposing the bill, Hector McInnes, the one representative for Halifax, said he could not vote for it, inasmuch as its clauses were harsh. It gave the government the power, not the right, to take away lands and water resources that had been leased to private or corporate interests, and to take these away arbitrarily. He spoke of what might happen to the owner of a mill on a small stream or to a big lumbering corporation or other industry, contending that the bill essentially took away from industries property that had been built up, and would take it away with no compensation. Mr. McInnes went on to say that "this government has gone rampant and is like a bull in a china shop," so far as the people's rights are concerned. He contended that the compensation clause, in last year's act, had been omitted and no equivalent submitted. The bill reversed the principle of responsible governmnt, and such legislation was likely to create mistrust between the legislature and the people.

Mr. Armstrong sought to deny that the bill was an expropriation measure—it was simply a vesting bill he said.

To this Mr. McInnes replied that it was not right to take away water powers without paying for them as it was proposed should be done.

In his remarks Mr. Armstrong had said "trust the people," J. J. Kinley, representing Lunenburg, and a strong supporter of the government, said in soft tones, "yes and bust the people." Then aloud, so that everyone in the house could hear him, "Is it fair to put the lumber operators in the power of party government? It might be disastrous."

Following on, in oposition to the bill, Mr. McInnes said: "I do not think that any government should be the arbiter in any property that belongs to the crown, it should be valued by an independent person. What is the guarantee of equity in this case? Only the presumed saneness of the governor-in-council." Mr. McInnes asserted that the governor's signature had been affixed to this bill. There would be few purchasers under such uncertain conditions, or under conditions that seemed certain to have a disastrous ending.

The two bills are now before the committee, and they may be amended in some respects, as they move along, but it looks very much as if the bill would become law and water powers of Nova Scotia, now the property of private individuals, might be taken from them, to their great loss and,

Continued on page 10

THE OUTLOOK FOR DOMINION CANNERS

New Season Will be Faced With Bare Stocks—Export Market at a Low Price

The situation on canned goods that threatened in the early months of the year to be very serious, owing to an unexpectedly large pack, has passed the danger point and as conditions now stand, the coming seasons pack will come on a particularly bare market. Only a few months ago the stocks in wholesalers and retailers hands were dangerously large, but since that time there has been a very substantial export movement, which has permitted the trade to dispose of the surplus, as there were no stocks in canners hands. As a result the wholesaler is now in a satisfactory position, and the fact that the retailer is once more in the market for canned goods, is sufficient evidence that he has liquidated his stocks.

The export movement has disposed of all the surplus pack of fruits, till there is an actual scarcity in these lines, and has diminished stocks of vegetables to a narrow margin. The single exeception is in the case of peas, of which there is yet a fairly heavy stock.

W. R. Drynan of the Dominion Canners has returned recently from England, where he was endeavoring to complete arrangements for the export of part of the coming season's pack. Whether there will be a market for these products in the coming season will depend largely on the matter of price. With a full pack the price will of course be low, and in that event there would probably be an export outlet that would prevent any glut on this market.

The Canadian canning industry is hampered by the uncertainty of the packing season. This uncertainty makes it impossible to set a future price, and for this reason it is difficult to meet American competition on foreign markets. The American canners in the Baltimore section start packing two weeks earlier and have an uninterrupted season, while the Canadian packer may meet a frost early in September, that may cut his production in half and more than double his costs. There is little doubt, however, that given good crop conditions that there will be a good export movement for Canadian canned goods. Should there be a slight crop the need for such an outlet would not be as pronounced.

Dominion Canners has shown a very aggressive policy during the past year, that has put the company in a good position. A late report comes from Vancouver to the effect that the Dominion Canners have taken over the principal canning industries in British Columbia, and through them will control fifty per per cent. of the fruit and vegetables canned in the province.

BRITISH IMPORTS

Steps Being Taken Looking to a Revision of Restrictions

LONDON—The President of the Board of Trade has appointed a council of representative manufacturers and distributors (both merchant and retail) to examine the existing list of prohibited imports, and to consider what revision in, addition to, or deletion from such lists are desirable, and what percentage of normal imports should be admitted up to Sept. 1st next at latest. Provision has also been made for the representation of labor interests on the council, which will also include members of the Board of Trade and the treasury, as well as the Federation of British Industries.

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MARKET DEMAND FOR STRUCTURAL STEEL REVIVING

A Better Outlook Reported by Some of the Big Producers

AMERICAN SITUATION

Production is Declining and Will be on 50 Per Cent. Basis in a Month if There is no Improvement

By A. R. KENNEDY
Editor, "Canadian Machinery"

That there was a movement commencing that might develop into a good demand for structural steel was the statement of the head of one of the largest concerns in this business. He stated to THE FINANCIAL POST that in the last few days he had been able to notice a decided change in the situation, and he was quite hopeful that once the movement set in it would continue. There had been a number of inquiries and some sales, mostly in small lots, but the trade would not care much whether the sales started in small lots or in large ones, the principal thing being that a start should be made in buying. For a long time the selling of structurals has been away off, the volume of business being about as near the zero point as one could imagine. This, in turn, has held up many other lines of steel. For instance when structurals are moving freely it would be quite reasonable to suppose that there would be a brisk demand for steel plate for safes, boilers, etc. In fact there are numerous lines that are held up on account of the movement in structural steel not having shown any sign of starting. One of the Hamilton concerns booked a nice tonnage during the last few days for the structural steel that will be required for the Canadian plant of the General Motors, which will be erected at Walkerville.

The United States Situation

Canadian are taking a very keen interest in the present situation across the line. It is very easy to see that the mills there are not getting the business that should be coming out at this season of the year. The fact is that merchant furnaces continue to blow out, one after another, and steel mill operations continually decrease, having now dropped to about 60 per cent. of capacity, and with at least half the production depending upon old orders, current bookings representing 30 per cent. or less of capacity.

These are conditions that might easily have been expected to obtain immediately after the cessation of hostilities, when war work must have been suspended very largely, and when time had not been afforded for consumers of iron and steel to get busy on peace work. Yet the showing has been that even three months after the signing of the armistice, in January, the average rate of steel production was 87 per cent. of capacity, production being now about 60 per cent. with prospects that if conditions do not change a rate of less than 50 per cent. will be reached in another 30 days.

Will the Open Market Return?

No matter what may be said in the open, there is a growing feeling that the open market is going to return very shortly. The best reason for this belief is the fact that price stabilization, in the way of a fixed schedule, has not turned out to be a success. Had it done so there might be very little said regarding the open market. In fact there are some who follow the market very closely, and they claim that there is really now an "open market."

They claim there is one, that many mills would cut the "official" prices if there were a good order to be secured thereby. But if one regards as "open market" one that really operates as such, sales being made at competitive prices, under the official prices, there is no such thing yet, because no such sales are being made. The selling, what little there is, involves the regular official prices, with perhaps here and there a little exception.

The question is how this situation will be resolved. If buyers, and particularly "investment" buyers, those that might engage in large construction projects, were to offer large orders and mention the prices at which they are willing to close, the steel producers would probably come out and name prices at which they would do business with them.

TWIN CITY

The March earnings statement of the Twin City Rapid Transit Company shows gross revenue for the month amounting to $914,419, against $835,293 for the same month in the previous year, a gain of $79,126. Operating expenses for the month at $672,932 left net revenue amounting to $241,487, as compared with $220,902, an increase of $20,585.

For the three months ending with March, the gross totalled $2,618,503, an increase of $161,113, while net revenue at $642,110 showed a gain of $65,810.

MATTAGAMI'S NEW PLANT

Mill at Smooth Rock Falls to be Enlarged

MONTREAL.—An early development in the export of pulp to the markets of Great Britain has induced the Mattagami Pulp and Paper Company to extend its mill at Smooth Rock Falls, Ontario, from 30,000 to 45,000 tons capacity a year.

The business of the company, which produces easy bleaching sulphite pulp, at a point a few miles west of Cochrane, Ont., has so far been limited to the East and Middle Western States, but preferential treatment as well as immediate demand, indicates a much wider market. The company's plant has been in operation for a little over a year.

Negotiations are practically completed with Canadian and United States bankers, through a Montreal financial house, to underwrite an issue of $1,500,000 of mortgage annuities to finance this undertaking.

CANADIAN CAR CO. GETS JUDGMENT

Wins From American Can Co. in Case Involving About $750,000

Shares of Canadian Car (common) were in fair demand during the week, but price remains not much in advance of recent best figures, last sales being made at 31. Judgment in the case against the American Can Co. has been given in favor of the Canadian Car Co. The amount involved, including interest, was about $750,000, and arose out of the famous Russian shell contract. It will be recalled that the American Can Company entered into an agreement with the Car Company to make use of the fuse plant at Dayton, Ohio, for the filling of some of its own war contracts with the Russian Imperial Government, but when the Russian Imperial Government was overthrown the American Can Company desired to get a judicial opinion on the matter of payments to safeguard its own position. This was obtained in one of the lower courts in favor of the Car Company, but the American Can Company decided to carry the matter still higher, and it is this judgment which has been just received. This disposes of the largest item still outstanding in connection with the Russian shell contract still to be settled. There is still a claim for approximately $200,000 arising out of tariff drawback on unexported shells, which has to be settled in the United States by a special Congressional bill, as there is no clause in the Tariff Act to deal with such a circumstance. The last Congress expired before this bill was completed, so that it will have to come up again at the next session. These two amounts, with a few smaller ones, brought the total outstanding unsettled claims to slightly over a million dollars.

ALGOMA STEEL

Efforts Being Made to Secure More Business

Reports sent to shareholders of the Algoma Steel Corporation show satisfactory output for the nine months ending with the closing of March. The net earnings of the steel corporaover the corresponding nine months of the last fiscal year. During the past three months new orders for rails and other materials have been very light. All outstanding contracts for munitions steel have been satisfactorily adjusted. During the period referred to 290,334 tons of finished material were produced, as compared with 211,452 tons for the same period last year. Business in Northern Ontario remains unsettled, but the Algoma Eastern Railways report a fairly good showing. Reductions in staff and expenses have been made to meet as far as possible, the slackening of business, which it is hoped will be of short duration.

Unfortunately Canadians have not the best opportunities to follow the trading of this stock, as it is not listed here, operations being carried on largely at Philadelphia. The plant at the Soo has been working at low capacity of late. In fact, several meetings have been held by the workers at the mill to see what could be done in the way of securing business. A deputation of these men visited Ottawa to see if the government could give them any information regarding the chances of re-opening the mill at full capacity.

PORTO RICO

Gross earnings of the Porto Rico Railways Company for the month of March totalled $98,436, against $83,140 for the same month in 1918, an increase of $15,296, or 18.3 per cent. The operating expenses for the month were abnormal because of the necessity of steam plant operation, which left net earnings at $21,720, a decrease of $15,869, or 42.2 per cent.

For the three months ending with March the gross amounted to $281,036, an increase over the corresponding three months in the previous year of $32,589, or 13.1 per cent. Net earnings at $95,366 showed a falling off of $18,577, or 16.3 per cent.

MERGER RUMORS ACCOMPANY RISE OF MAPLE LEAF

Report That Domestic Market Connection is Desired

NO CONFIRMATION

Officials Inclined to Scout Theory—High Earnings and Dividend Prospects Another Explanation

The active demand for Maple Leaf Milling Company stock that has been more than usually evident during the past week, and the substantial advances that have resulted from this movement have once more given some interest to the story current some weeks ago of the possibility of a merger between the Maple Leaf Milling Company and some other prominent milling interests.

This rumor, is given a certain face value by reason of the fact that the companies' operations have been largely of an export character, though they have local mills serving some localities, and do a large trade business in Canada as well. It is a fact, however, that it has not in the past made any definite bid for Canadian trade under brand names. During the war years the company had all the business required from overseas, there is a feeling in some quarters, however, that with the return to normal, this business may decline, and that other markets for these products may be necessary. It is this impression possibly that has given rise again to the suggestion of a merger that would assure the company some of the benefits of a well-established Canadian trade.

Hedley Shaw, president of the company, is at present in New York, but other officials of the company deny any knowledge of any such proposal, and are inclined to scout the possibilities in this direction. They state that the Maple Leaf Milling Company has ample equipment to meet any demand that might arise without amalgamating with any other concern, equipment that has never yet been taxed to the utmost, even in the brisk and profitable business days of the past. Moreover, they do not look with any trepidation on the future prospects. While the company has not made any marked effort to establish its brands on the Canadian market, they have featured them prominently on the British market, and are confident that they are well enough established to assure them against any marked decline in business. In the immediate future they can see no reason for uneasiness. Present indications are that the demand for Canadian flour will be an increasing, rather than a diminishing demand, while the possibility of the opening of the American market to these products will still further enlarge the market. For some time to come, then, then can see an assured business. Just how long this may last is, of course, problematical, but even with the decline of this demand they look for an improvement in British domestic buying of brands that have been popularized by years of export trade.

In view of these facts, according to the viewpoint of one of the officials of the company, they have little to gain by any such change as the rumor suggests, and they are confident that such a move has not even been contemplated by the company.

Probably a sounder reason for the popularity of the stock is to be found in the past successful business of the company, and the knowledge that this business has been well maintained during the past season, and that, therefore, there is every probabilit of the maintenance of the dividend rate of the past years, even to a continuance of the bonussing that has doubled the yield the stock.

Even at its present figures the yield of the stock is large, as compared with other companies in the same business and consequently facing the same uncertainties. The practical assurance of this high yield, with even the possibility of the declaration of a bonus dividend, is sufficient without the suggestion of any change in constitution to justify the present feeling toward the stocks of the company.

DULUTH-SUPERIOR

For the third week of April, gross earnings of the Duluth-Superior Traction Company amounted to $38,818, against $32,604 for the corresponding period in 1918, an increase of $6,214, or 19 per cent.

Gross earnings for the month of March totalled $161,616, an increase of $14,895 over the same month in the previous year. Operating expenses at $131,878 left net earnings amounting to $29,737, a decrease of $11,002. For the three months ending with March, the gross at $452,214 showed a gain of $33,292, while net at $69,683, showed a falling off of $29,139.

BELL TELEPHONE

The Bell Telephone Company, it is learned, is showing a very heavy increase in the long-distance business, and the normal increase in applications for new connections is being exceeded by a large amount for the first four months of the present year. Both of these indicate a healthy business feeling in the districts covered by the Bell lines. If the company is granted the increase that was applied for from the Railway Board, this new business will be to its advantage; if it is taken care of at the present rate, this advantage will be greatly discounted. Thus the decision of the Board is awaited with deep interest by the officials and the shareholders. Light buying is going on at the minimum rate of 130.

WINNIPEG RAILWAY

In reply to a written request by the Winnipeg tax collector for payment of oustanding taxes, the Winnipeg Electric Railway Company has informed the city that the company is at present unable to meet its obligations owing to strained financial conditions.

The market for the stock has been somewhat weaker of late with sales at 45.

SPORT FOR THE ANGLER

To the excellence of the fishing to be enjoyed in Algonquin Park there is undisputed testimony. Fish caught in the waters of the Park have won each year many of the National competitions open to the anglers of the Continent. The brook trout of Algonquin Park are of the genuine square tailed, red spotted or speckled variety. Black bass are plentiful in the Rock Lake district and are of the small mouthed variety. Salmon trout are found in all the waters of the Park. Splendid camp sites, unlimited canoe routes and hotels if you want them. Easy of access, only 200 miles north of Toronto and 170 miles west of Ottawa. Illustrated descriptive literature giving full particulars for the asking. Apply to Grand Trunk Agent or C. E. Horning, D.P.A., Toronto, Ont.

City of Hamilton Bonds
At Attractive Rate
Particulars on Request
Campbell, Thompson & Co.
Canada Life Building, TORONTO

CITY OF MOOSE JAW

SALE OF DEBENTURES

SEALED tenders endorsed "Tenders for Debentures" will be received by the City Commissioners up to noon of the 19th day of May, 1919, for the purpose of the following issues of debentures of the City of Moose Jaw:—

$210,000 debentures for extension to the Electric Light & Power Systems of the City. Tenders will be received alternatively for—

(a) Debentures bearing interest at the rate of 5½% per annum, repayable in twenty equal annual instalments of principal and interest.

(b) Sinking Fund Debentures bearing interest at 5½% per annum repayable at the end of twenty years.

The highest or any tender not necessarily accepted.

S. A. HAMILTON,
Mayor.
GEO. D. MACKIE,
City Commissioner.

Moose Jaw, 29th April, 1919.

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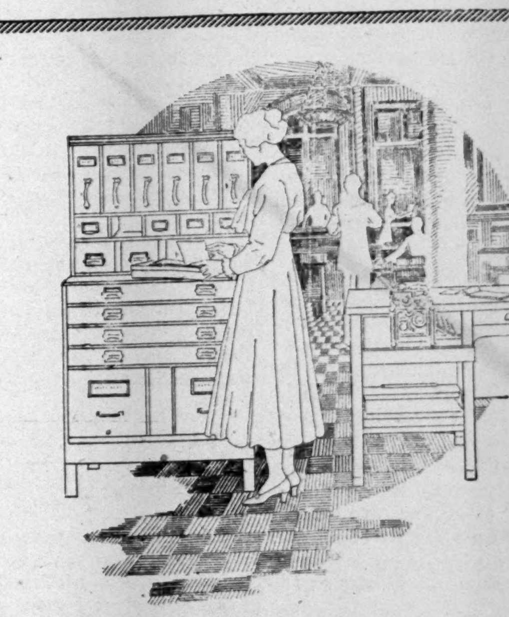

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HEAVY LOSSES FOR SHAREHOLDERS OF "SAFE-ON-SEA"

Canadian Company Closes Down and U.S. Company Gets Control

ABOUT $40,000 SOLD

Stock Distributed at $10 a Share—Officials and Some Shareholders Now Hold Stock of Rival New York Company

By Resident Representative.

MONTREAL.—"Safe-on-Sea, Ltd.," a company that was organized in Montreal a couple of years ago, and sold about $40,000 worth of stock in Canada, has decided to discontinue operations. In its place appears the National Life Preserver Company of New York, who manufacture a somewhat similar suit, warranted to keep the wearer above the surface and prevent chills through exposure in the water. THE FINANCIAL POST is informed that the New York Company has secured a majority control of the Canadian company through taking over the stock of some of the leading officials and larger shareholders, but has refused to continue to redeem any more stock. The result of this would seem to be that the remaining shareholders of the company are likely to hold worthless scrip in return for original payments of $10 a share for the company's stock.

Went Over to Rival

The closing up of operations was decided on at a meeting of about twenty shareholders of the Safe-on-Sea Limited a few days ago, and immediately afterwards some of those present paid over certain sum to the United States Company in return for stock, and the remaining shareholders of Safe-on-Sea were left stranded, with practically no tangible assets to set against their stock.

The reason assigned for the failure of the company is that it was unable to secure sufficient capital to enable it to "make good." It had a patent to a life preserver, a suit that enveloped the wearer, and was guaranteed to keep him afloat for hours. Demonstrations were given in different parts of the country, that is in the East chiefly, and the "movies" even were used, and it was proposed either to sell the suits outright to the steamship companies or to rent them to passengers for each voyage.

Programme of U. S. Company

This, in fact, is what the United States company has been doing, and it succeeded in interesting the U. S. Navy Department, Army Transport officers, Red Cross, Knights of Columbus and other organizations. These bought a large number of the suits (termed the "Ever-Warm Safety Suit"), and clever advertising was used to bring them before the public—such as display ads. of great marine disasters, the number drowned (without these suits), etc. Cheques received from prominent Americans, $60 each for the suit, were reproduced, and it is said some 5,000 suits are now being rented or have been sold outright.

Not Enough Capital for "S.-O.-S."

The Canadian company tried to do all this but did not succeed, and finally a proposition was made, it is understood, to the secretary and manager, E. LePage or Montreal, to sell out control. The latter in turn claimed that the rest of the shareholders should be included in the offer, and sent out a circular.

Fell on Deaf Ears

Previous to this, however, he had issued an appeal to the shareholders to provide money to carry on the company by subscribing some $100,000, or three times the amount of the stock they held. Such a proposal, not backed by any substantial proof that the company would ever succeed, naturally secured little response. Then the circular was sent out outlining a proposal of the National Preserver Co. as follows:

Pay $30 More for Each $10

Each Canadian shareholder would be allowed the par value of his Safe-on-Sea stock—$10 a share—and in addition would be required to advance $30 a share, making $40 in all, to cover the value of a share of the National Life Preserver Co. The latter company would thus secure the stock of Safe-on-Sea and $30 per share [illegible] in addition. Thus a "S.-O.-S." shareholder to the extent of [illegible] would be required to pay out [illegible] and surrender his 25 shares [illegible] stock, receiving in return [illegible] "National." stock.

Reduced Cash Payment

The [illegible] call, for three times their [illegible] subscription in a company [illegible] few were familiar, met with little response, and then a second arrangement was made by which the National Company required a cash payment equal to the cost of the S.-O.-S. stock, that is, $10 a share, and then allowed the S.-O.-S. scrip and the $10 to count as $20 payment on a share of National Life Preserver Co. stock, but now the price of this stock was advanced from $40 to $50. Thus the holder of $250 stock (25 shares) would put up $250 cash, surrender his S.-O.-S. stock, and get in return, not 25 shares, but 10 shares of National Life Preserver Co. stock. This called for a lesser outlay on the part of the Canadian shareholders, and at the same time limited the amount of National stock they would hold.

This final offer, it would appear, was not made known to all the S.-O.-S. shareholders, and it is said it was the larger ones chiefly who accepted it, thus vesting control with the National Company.

THE FINANCIAL POST understands that a certain amount of "National" stock may still be secured under the final offer, although the company itself some time ago repudiated any further obligation to accept S.-O.-S. stock as partial payment on its own stock.

For those who transferred to the U. S. company the prospects look fairly bright. Each suit sells for $60, and rents for $5 a trip, or $120 a year if in service all the time. The company has already established a good cash credit. The company is capitalized at $3,000,000, with stock now outstanding of about $1,450,000. The officers include W. N. Hanson, president and treasurer, Sheridan, Wyoming, and James A. Watt, secretary, New York City.

So far as the remnants of the Canadian company is concerned, it is understood that practically all the money received from the sale of stock has been expended. Last year THE FINANCIAL POST warned investors against this company until it had been placed in the position of a "going" concern.

SCOTIA CONTINUES MARKET FEATURE

Re-opening of Plant Does Not Seem to Fully Explain Recent Price Advances

N. S. Steel and Coal has given the market something to talk about in the last few days, by making and holding clean gains of ten points. There must be something more behind the movement than the mere opening of the plant again. Before the shutdown the stock (common) was at the 36 mark, the same as at present. Operations then were at prices more favorable than the present. The recovery of Scotia was first noted on the New York market, where it has been restored to the active trading list for some days now.

The bill now before the Nova Scotia Legislature is awaiting its third reading, and there have been some suggestions that it would be better for all concerned if some understanding could be arrived at which would render it unnecessary to force the Dominion Coal Co. to make the exchange of leases provided for in the legislation.

The situation appears to be a rather tense one, and naturally neither company would be willing to show its hand at this stage, but the market sometimes gives an inkling of what is going on under the surface, and the present strength of Scotia shares is suggestive of something. Dominion Steel shares, on the other hand, remain unmoved.

It is understood in the street that some independent efforts are on foot to bring the two companies to a better understanding. Just what form these are taking is not definitely known, but there is an impression in some quarters that the old idea of a merger of the two companies is being urged as the easiest way out of the difficulty.

KAMINISTIQUIA POWER CO.

The earnings continue to hold up well in the Kaministiquia Power Co., the figures for March showing $33,918, compared with $31,057, and the surplus, $20,982 compared with $18,833. For the five months of the fiscal year the revenue rose from $167,529 to $180,322, and the surplus from $108,497 to $116,041. The profit and loss account stands at $496,251.

NATIONAL STEEL CAR

A circular has been issued by Sir John Gibson, president of the National Steel Car Company, calling a meeting of the shareholders of the company for May 5th at which the matter of amalgamating with the American Car and Foundry Company will be considered. It is explained that while there have been many difficulties and the negotiations have been tedious the prospect is favorable for a settlement. A statement in connection with the details of the amalgamation is expected within a few days.

CITY DAIRY

The City Dairy Company, in company with other dairy companies, have reduced prices May 1 to the basis of the summer milk price schedules. This has been a customary change for some years past.

W. J. Northgrove, manager of the company, in speaking of the year's business, stated that the increased business far exceeded their expectations. "Every month has shown a most surprising increase in business over the corresponding month of the previous year," he said, "and there seems every indication that these satisfactory conditions will continue."

TEXTILE MILLS CUT U.S. COMPETITION

Recent Cut in Prices Warning to Outside Sellers—Awaiting Annual Reports

The recent action of the Canadian textile mills in reducing prices and making cuts that ran as high as 35 per cent. in a few lines, has had the result, wholesalers report, of driving out a number of United States lines in denims, fancy ginghams, etc., where prices across the border had been slashed weeks ago, with the result that Canadian orders were being given.

On the other hand it is likely there will be a stiffening up of prices as the conclusion of peace is expected to result in a big export business of raw cotton and also the manufactured goods both in the States and Canada, and prices are likely to go up again to some extent. The Canadian mills look to be sure of all the business they can turn out this year.

Just at the present the annual reports of the Dominion Textile Company and Canadian Cottons are being awaited with keen anticipation. Textile sold off from 115 to 112½ this week, but strengthened to 113 on Thursday. Canadian Cottons was a little easier around 84 and 84¼. Canadian Converters, which closed its year on April 30, ran up to a new high at 57½.

AMES-HOLDEN PROFITS

Big Increase Looked for in Annual Report

By Resident Representative.

MONTREAL.—While all sorts of rumors are flying around as the result of T. H. Rieder, the late president of the Canadian Consolidated Rubber Co. joining forces with Ames-Holden-McCready, that stock remained quiet this week, holding around 76-77. It is understood that a limited amount of inside buying has been going on with Mr. Rieder credited as being already a large shareholder.

The company's year closed on Wednesday, and it is understood the net earnings will show an increase of some $300,000 over last year, from $720,000 to about $1,000,000. Last year the deductions amounted to $522,938, allowing however for $237,549 as depreciation and balance of organization expenses. This left the surplus for the year at $197,303, but even with these large deductions the surplus this year on a similar basis it is understood would be over $500,000, which would allow 20 per cent. on the preferred stock.

MACKAY

Mackay common has been strong recently with the price moving up to 78; the preferred has shown little change. There is evidently some improvement in the outlook for the company in its relations with the Government. President Clarence H. Mackay continues to say strong things about the treatment the company is being accorded under the Burleson policy. "He is trying to drag a red herring across the trail," Mr. Mackay asserted. Mr. Burleson maliciously misrepresents our reports to the Inter-State Commerce Commission in order to divert attention from his own deliberate attempts, in conjunction with the Western Union and the Bell Telephone Company, to put the Postal Telegraph Company out of business. He cannot get away from the fact that he awarded the Bell Telephone and Western Union more than their lines earned for him, but that he awarded the Postal Telegraph Company only $1,800,000, while in 1917 our lines earned $4,269,000, the accuracy of which he or his committee cannot and do not deny. With the increased rates, which he has ordered, our lines should earn about $7,200,000. No amount of explanation can explain such an outrageous act of brigandage as this.

TUCKETT TOBACCO

The demand for Tuckett Tobacco common has continued on a strong basis with transactions passing the 2,000 share mark and the price touching as high as 37, or nearly ten points up for the recent advance. Rumors continue to refer to dividend possibilities and a merger with Tobacco Products, but neither of these are regarded as very probable. There has been no particular interest in the preferred stock.

TORONTO RAILWAY

There has been some improvement in the market for Toronto Railway this week with the price moving up to 45 as compared with a low record of 40 two weeks ago.

CANADA BREAD

The market for Canada Bread has advanced from 19½ to 22 and above since last report with the development of a demand which has run transactions up considerably above the 1,000 share mark. The preferred at 82 showed practically no change.

CANADIAN GENERAL ELECTRIC

Although shaded off from the high point of 108 recorded at last report the market for Canadian General Electric has continued strong with a fair volume of business at 107 to 107½.

GOODWINS LIMITED

A transaction of Goodwins preferred this week at 56 indicated an improvement of 2 points in the price for the past fortnight, but the figure is still 4 points below the best of the year recorded on the 1st of March.

The Standard Oil Company of New York earned $38.19 a share on its capital stock in 1918, no more than three times as much as it paid in dividends, according to the annual report.

FILLER

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Alberta Pac. Grain, com.	122	130
Do., pref.	85	95
Belding-Paul, com.	29	34
Do., pref.	88	92
British Amer. Ass.	9	..
Canada Machy., com.	21	24
Do., pref.	48	53
Carriage Factories, pref.	38	45
Can. Westinghouse	108	115
Canadian Oil, com.	42	46
Do., pref.	95	102
Carter-Crume, pref.	65	75
Continental Life	19	25
Dom. Manufacturers, pref.	45	55
Dom. Pr. & Trans., com.	42	47
Dom. Manuf., com.	6	11
Eastern Car, pref.	50 x-d	..
Great-West Life	220	230
Home Bank	78	82
Imperial Oil	400	435
Illinois Traction, pref.	74	77
Inter, Milling, pref.	87	90
King Edward Hotel, com.	48	55
Loew's, Toronto, com.	124	130
Wm. Neilson, com.	54	..
Sterling Coal, com.	15	17
Sterling Bank	93	98
Standard Reliance	41	43½
Trust & Guarantee	83	86
Western Assurance	8	10
West. Can. Flour, com.	108	125
BONDS—		
P. Burns, 1924, 6s	100	105
Do., 1931, 5s	96	99
Eastern Car, 5s	89	95
Mex. Northern Power, 5s	14	17
Morrow Screw, 6s	88	90
N.S. Steel, Debs., 6s	88	91
Ontario Pulp, 6s	90	93
Sterling Coal, 6s	71	76
Stone Limited, 6s	94	98
Toronto Power, 5s	87	92
Tor. & York Rad., 5s	97	99
Toronto Paper, 6s	86	92

DIVIDENDS

Company	Date	Rate	Record
Ont. Steel, pref.	May 15	1¾ + ½%	May 2
Can. Foundries, pref.	May 15	1¾%	Apr. 30
Do., com.	May 15	3%	Apr. 30
Brompton Pulp	May 7	1¼%	Apr. 30
Cedar Rapids	May 15	¾ of 1%	Apr. 30
Riordon Pulp, com.	May 15	2½%	May 9
Dom. Bridge	May 15	2%	Apr. 30
Mont. L. H. & P.	May 15	2%	Apr. 30
Kaministiquia Pr.	May 15	2%	Apr. 23
Can. Converters	May 15	1¼%	Apr. 30
Bank Hochelaga	June 1	2¼%	May 15
Bk. of Commerce	June 1	3%	May 15
Union Bank	June 2	2½%	May 16
Royal Bank	June 2	3%	May 15
Home Bank	June 2	1¼%	......
Bank of Toronto	June 2	3%	May 14
Lake of Woods, com.	June 2	3%	May 15
Do., pref.	June 2	1¾%	May 15
Bank of Hamilton	June 2	3%	May 23
Bank of Montreal	June 2	3%	Apr. 30
Kerr Lake Mining	June 16	25c	June 2
Riordon Pulp, pref.	June 30	1¾%	June 20

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Assets Under Administration, $80,000,000
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REMOVAL

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to

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Best for Fountain Pen Use. Sample Quart, Blue Black, 50 cts. Why Pay More?
ROYAL INK COMPANY
11 COLBORNE ST. TORONTO CANADA

WILSON FEARED THE BRITISH

THE American President crossed the Atlantic in the first place with the idea in his mind that his ideals would be thoroughly in accord with those of the French statesmen; but he was rather afraid of a conflict with the British delegates. He found in reality that his plan for peace terms was as far removed from the French plan as the two poles. Then he crossed to London and was surprised to find that the ideas of the two Anglo-Saxon powers were identical.

This situation, according to J. W. Dafoe in the May issue of MACLEAN'S MAGAZINE, explains much that has developed at Versailles. Further, it contains the promise of a close *rapprochement* between the two great English-speaking democracies for all time to come.

Mr. Dafoe has contributed a remarkably interesting article to this number of MACLEAN'S, lifting the curtain on many of the puzzling situations that have arisen overseas. As the editor of the Manitoba *Free Press,* he is the dean of Canadian newspapermen; as the representative of the department of Public Information on the Canadian Mission to the Peace Conference, he was in a special position to learn what was transpiring. He tells of the really big part that Canada has played in the Proceedings and points out that Canada's status as a nation was firmly established in the eyes of the world when she was allowed separate representation.

A Dozen Other Features---Nationally Important

This May issue is full of articles of unusual significance for Canadian readers.

"SOLVING THE PROBLEM OF THE ARCTIC"
—By Vilhjalmur Stefansson

The second instalment of his remarkable story of the four years of exploration that he undertook for the Canadian Government in the region of the "Pole of Inaccessibility"—a harder place to reach than the North Pole.

"ORGANIZING FOR PEACE"
—By George Pearson

An article of the Great War Veterans' Association by a well-known author-soldier.

"THE CANADIANS IN SIBERIA"
—By Capt. W. E. Dunham

A graphic story of what our forces did in combatting the Bolsheviki, by an officer who has just returned.

"SAFE IN THE SADDLE"
—By J. K. Munro

A review of affairs at Ottawa in which the opinion is expressed that Union Government for the time being is safely entrenched.

Four capital stories by famous authors—W. A. Fraser, Lloyd Osborne, Frederic S. Isham and C. W. Stephens.

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The articles in this issue of MACLEAN'S reflect the national idea—Canada's part in the Peace Conference, the political situation at Ottawa, the exclusive report of Stefansson's national explorations, the national organization of our returned men, the work of our forces in Siberia. The reader of MACLEAN'S gets a broad idea of what Canada as a whole is doing. The value of this issue— and of all issues —is very great, therefore, from an educational standpoint.

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Events of War Foretold by Stars.
What is Life Like Beyond the Grave?
A High-born Bolshevik.
The New Life in Dry America.
Germans Were Ready to Capitulate.
Japan's New Foreign Policy.
The Many Kings of Jerusalem.
Is British Foreign Office Against League?
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Res. Liab. of Proprietors..£4,000,000
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Coralox Limited, a Toronto company in which D. A. Brebner is interested, have acquired a 202-foot frontage on Burlington St., Hamilton, being part of the former Baynes Carriage Co. land.

TORONTO PAPER CO.'S EARNINGS WERE SMALLER

Profits Somewhat Reduced for Year Ended March 31

STRONG POSITION

After Paying All Charges and 9 Per Cent. Dividend, Had Substantial Sum to Add to Profit and Loss

For the second year in succession, the Toronto Paper Mfg. Co., whose annual report was issued this week, shows a contraction in earnings, the reduction being from $212,749 in 1916-17 to $198,030 in 1917-18 and to $162,373 in 1918-19. This decline is undoubtedly due to steadily mounting costs, which have not been compensated for by any equivalent increase in the price of the finished product. Business with the company has been and continues to be good so that it is not from any diminution of sales that the lower earnings are occasioned.

Notwithstanding the somewhat smaller earnings, the company is able to present a satisfactory financial statement. It is true that the last half-yearly bonus was reduced from 2 per cent. to 1 per cent., making the total disbursement for the year $67,500 instead of $75,000, and that a smaller sum was allotted to depreciation, but the amount carried forward to profit and loss, viz., $48,895, compares very favorably with previous showings. The profit and loss figures for the past three years are as follows:

	1917	1918	1919
Earnings	$212,794	$198,030	$162,373
Bond Int.	29,352	28,540	27,978
Dividends	37,500	75,000	67,500
Dep, Res.	25,000	32,000	18,000
Balance	191,590	254,089	302,984

Comparing the 1918 and 1919 balance sheet, it may be noted that the capital assets have been increased from $1,190,034 to $1,213,448 this being shown in the item, and, buildings and power rights. Bonds purchased for sinking fund purposes are increased from $28,900 to $48,400. Current assets have been reduced from $512,696 to $490,245. Capital liabilities stand at $1,211,100, of which $750,000 is capital stock and $461,100 bonds. The depreciation reserve amounts to $100,000 and current liabilities to $130,706.

Referring to the dividend, the president, R. S. Waldie, says: "It was owing to our war tax payments that your directors decided that it was prudent to reduce the last bonus paid with the regular half-yearly dividend from 2 per cent. to 1 per cent. There will be no change for the present in our dividend policy, which is to pay 3 per cent. half-yearly, together with any bonus we can pay with confidence. Our products continue to enjoy a good reputation in the trade and you will be interested to know that at the conclusion of the war we are making a better standard of paper than at the beginning of it. Your properties are in good physical condition and no important capital expenditures are contemplated for the immediate future. While it is imposible to forecast the future, we see no reason why we should not enjoy a good year's business. Although we depend upon the home market to absorb our output, we have thought it advisable to form a modest export connection."

STEEL COMPANY OF CANADA

Several changes were made in the directorate of the Steel Company of Canada at the annual meeting. Hon. Charles Alexander, Providence, R.I., retired from the board, and G. H. Dungan, Montreal, president of the Dominion Bridge Company, was elected in his place. Cyrus A. Birge retired from the office of vice-president, but remains on the executive. Robert Hobson was re-elected president, and F. H. Whitton and Ross D. McMaster, Montreal, vice-presidents, and H. H. Champ, secretary. All the other officers and directors were re-elected. Mr. Hobson gave the president's report, and Mr. Whitton the report of general manager. The offices of general manager and assistant were abolished, the former occupants of these offices being elected vice-presidents.

The trend of prices for common stock has been remarkably level for weeks past. The first sales of the year opened at 64½, while last sales were put through at 63¾, and there has been little variation worthy of notice in the meantime. Operations are still some distance from capacity at the Hamilton works.

ONTARIO STEEL PRODUCTS

The directors of the Ontario Steel products Company, Limited, declared a quarterly dividend of 1¾ plus ½ per cent., payable May 15 to shareholders of record May 2. The ½ per cent. is no doubt on the deferred dividends. There is practically no trading in the preferred, it being closely held on an investment basis.

IMPERIAL OIL

There was considerable trading in Imperial Oil on the Toronto market this week around 430, which is little change from the recent prevailing quotations.

BIG EARNINGS OF THE SIMPSON CO.

A Showing of Over 26% on the Common Stock After Meeting Prior Charges

The prosperous conditions being experienced by the big department stores and mail order houses is indicated by the statement for 1918 of the Robert Simpson Company of Toronto. The total net earnings amounted to $1,466,416. This represented an increase of about $400,000 over the previous year and compared with $875,089, which in turn was an improvement of about $60,000 over 1915. Thus the 1918 earnings were over $600,000 better than for 1915. For bond interest and preferred dividends $305,964 was required leaving the sum $1,160,452 available of which $276,513 was written off. The balance of $883,939 represented over 26 per cent. on the $3,350,000 of common stock outstanding. The distribution on the common together with directors' fees took $336,550 and $150,000 was set aside for bonuses and profit sharing funds leaving a balance of $397,439 to be added to the previous surplus of $425,180, a total of $822,620.

Assets of $11,529,958 — compared with $11,068,161 two years ago—were shown, of which $4,975,947 were "current." Current liabilities amounted to $1,227,782. The company has $3,350,000 of preferred stock and the same amount of common stock outstanding while the mortgage indebtedness amounts to $2,072,518. President H. H. Fudger in his annual adress said:

The report of the year's business is again a record of increase and progress. There has been a satisfactory increase in the volume, and the rate of profit has been maintained, after making full provision for possible depreciation in the value of merchandise. Inventories have been taken at figures which leave ample margin against whatever may be the penalties of our reconstruction period in Canada. So far in the new year, manufacturers have almost invariably maintained or increased last year's prices, but in the not distant future there must inevitably be a downward movement.

"The cost of operation have been much heavier, and wages have increased. Provision for the families of employees engaged in military service has been continued, and will also be a charge on the new year until our men are reinstated in ordinary vocations."

CANADIAN PACIFIC

Gross earnings of the Canadian Pacific Railway for March amounted to $12,374,182, as compared with $12,427,914 for the same month in the previous year, a decrease of $53,732. The operating expense amounted to $10,835,137, leaving net earnings of $1,539,044, as compared with $2,992,781, a decrease of $1,453,737. Net earnings for the three months ending with March totalled $4,073,671, a decrease from the total for the first three months of 1918 of $678,001 Following are comparative figures for the three months:

	Gross earnings	Operating earnings	Net earnings
Jan.	$13,028,328	$11,474,816	$1,553,512
Feb.	11,054,166	10,083,051	981,115
Mar.	12,374,182	10,835,138	1,539,044

Ready Cash for the Business

Would your Business be kept going as usual if you were not here to look after it? Would its credit be shaken and its value be reduced? Would your family be able to carry it on or sell it without suffering a great loss?

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All closed models now have electric starting and lighting system as Standard Equipment.

Ford Sedan $1175 Ford Coupe $975
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By June 1st, however, Ford Touring Cars and Roadsters will be supplied with Starting and Lighting as *Optional Equipment,* at an extra charge.

Samples now at all Ford Branches.

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OF CANADA, LIMITED
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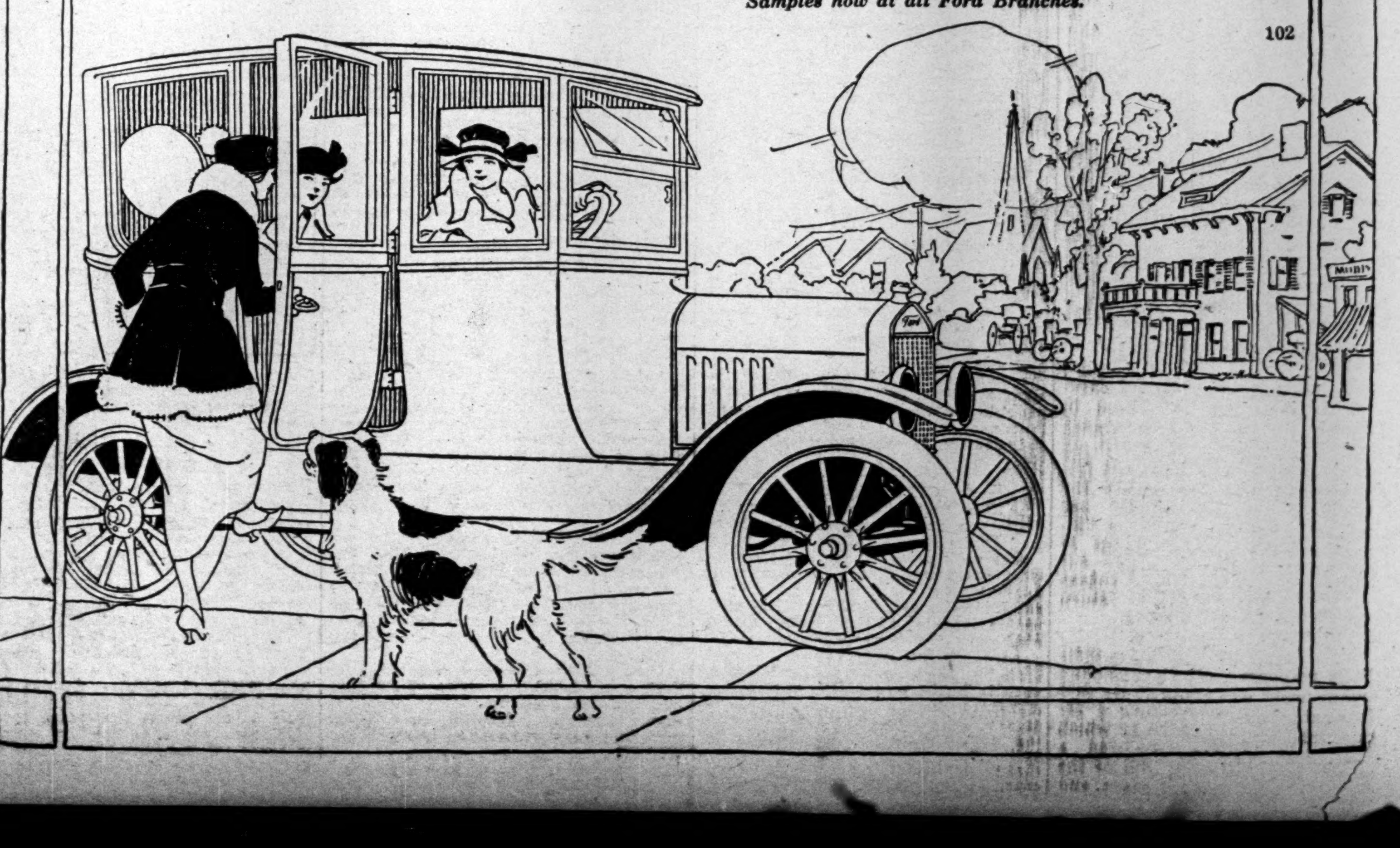

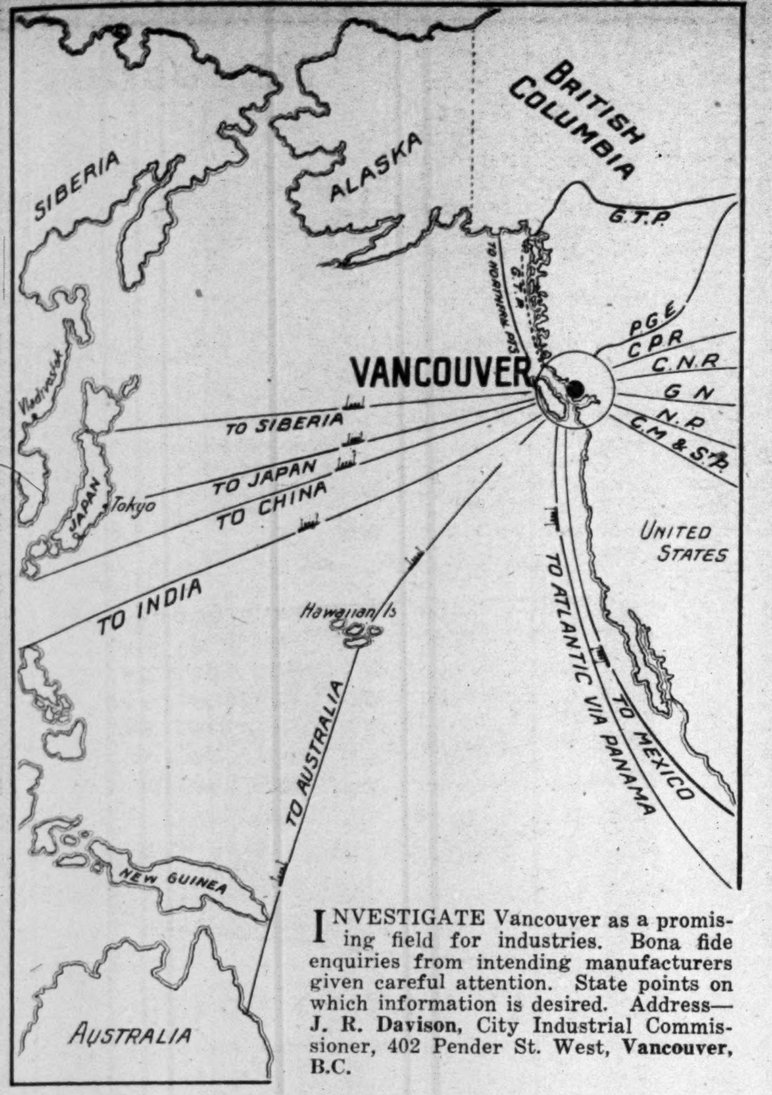

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DIVIDEND NOTICES

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE PER CENT. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND DAY OF JUNE next, to shareholders of record of 30th April, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 25th April, 1919.

The Royal Bank of Canada

DIVIDEND No. 127.

NOTICE is hereby given that a Dividend of Three per cent. (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Monday, the second day of June next, to shareholders of record of 15th May.

By Order of the Board,

C. E. NEILL,
General Manager.

Montreal, Que., April 15th, 1919.

The Bank of Toronto

DIVIIDEND NO. 151

NOTICE is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. per annum**, upon the Paid-up Capital of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the **Second day of June next** to Shareholders of record at the close of business on the Fourteenth day of May next.

By Order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
April 23rd, 1919.

Montreal Light, Heat & Power Consolidated

11th DIVIDEND

NOTICE is hereby given that a Dividend of One Per Cent. on the Paid-up Capital Stock of the Company (being at the rate of Four Per Cent. per annum) for Quarter ending April 30th, 1919, has this day been declared:

1st. To Shareholders of record April 30th, 1919, on the Montreal and London, England, Registers.

2nd. To holders of Share-Warrants in Redemption of Coupon Serial No. 11.

Dividend Cheques will be mailed to Registered Shareholders May 15th, 1919; Share-Warrant Coupon will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By Order of the Board.

C. S. BAGG,
Secretary-Treasurer.

Montreal, April 21st, 1919.

The Canadian Bank of Commerce

DIVIDEND NO. 129.

NOTICE is hereby given that a dividend of Three Per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd June, 1919. The Transfer Books of the Bank will be closed from the 16th to the 31st of May next, both days inclusive.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th April, 1919.

DIVIDEND NOTICE

Lake of the Woods Milling Company, Ltd.

NOTICE is hereby given that the regular quarterly dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, has been declared payable on Monday, June 2nd, 1919, to Shareholders of record at the close of business on Thursday, May 15th, 1919.

By Order of the Board.

R. NEILSON,
Assistant-Secretary.

NOTICE is hereby given that a dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1919, being 2½ per cent. from the earnings of LAKE OF THE WOODS MILLING COMPANY, LIMITED, and one-half of 1 per cent. from the earnings of the SUNSET MANUFACTURING COMPANY, has been declared payable on Monday, June 2nd, 1919, to Shareholders of record at the close of business on Thursday, May 15th, 1919.

By Order of the Board.

R. NEILSON,
Assistant-Secretary.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada.)

To the Holders of
First Mortgage 50-Year Bonds.

NOTICE is hereby given that in accordance with the terms of Supplemental Trust Deed dated 31st day of December, 1918, as approved by the Resolutions passed at the meeting of the First Mortgage 50-Year Bondholders of the above Company, held on Thursday, the 19th day of December, 1918, Bondholders are requested to produce their Bonds at the offices of the Company, 603 Dominion Bank Building, Toronto, Canada, or 3 London Wall Buildings, London, England, for the purpose of having endorsed thereon a memorandum modifying the rights of Bondholders and of the Supplemental Trust Deed executed in pursuance of such Resolutions.

For and on behalf of

BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED,
R. H. MERRY,
Secretary,

30th April, 1919.
Toronto, Canada.

BRIGHT OUTLOOK PREDICTED FOR THE DOME MINES

Eighth Annual Report Contains Some Encouraging Features

COMPANY'S SURPLUS

Expenditure During the Year Brings it Down Nearly to the Vanishing Point, But Will Soon Recover

Interest in the annual statement of the Dome Mines for the year ending March 31 last, centres not so much on the financial position of the company as in the prospects before it during the year which has just started. The fact that the mill was shut down in December 1917 and that since then it has been a case of pay out money rather than take it, renders the financial statement a very one-sided affair.

The company started the year with a surplus of $524,797. There was paid out on account of development $133,003. Administrative, general and executive expenses called for an expenditure of $37,578; taxes and insurance, $25,729; other expenses, $40,967; total $237,279. There was a non-operating revenue of $16,196, so that adding to the balance an appropriation for plant depreciation of $234,373, there was a net loss for the year of $455,456, reducing the surplus, after a small inventory adjustment, to $56,801.

General Manager's Statement

The report contains a lengthy statement by General Manager C. D. Kaeding, which describes the state of affairs at the property and includes some encouraging predictions. From this report the following extracts are taken:—

"Since the last statement, dated January 2nd, 1919, was issued, conditions relating to the gold mining business have been undergoing a very rapid change for the better. At that time we reported a very noticeable improvement in the labor situation and remarked upon the number of applications we had for work since the signing of the armistice in Europe, November 11th. We stated it as our belief that, within a matter of weeks, labor would be available in increasing quantities and that workmen would be efficient (as contrasted with the great scarcity of workmen of any sort but mostly inefficient, which contributed the principal cause of our ceasing milling operations). We further stated that at the moment conditions were not such as to warrant planning the immediate resumption of milling, but conditions were altering rapidly and before the date on which the annual report was due, sufficient definite data should have been acquired in this connection that a fixed policy on this phase of our operations could be adopted. In view of the belief that we would have an adequate labor supply before long it was recommended that we complete the ore and waste handling systems, new pumping plant, put men into stopes and continue diamond drilling and some drifting and cross-cutting.

Ore and Waste Handling

"During January the conditions appertaining to our business continued to improve so steadily that we recommended a programme having for its object the early resumption of milling as soon as a staff and force of men could be gotten together and certain work in the mine finished. With this end in view the diamond drilling and drifting mentioned in the last statement was temporarily stopped and the united efforts of the small staff directed to the completion of the ore and waste handling system and the new pumping plant, so that production in any volume up to the maximum milling capacity could be assured from the haulages, ore passes, loading pockets and skipways of No. 3 shaft. This work is now practically completed.

"The position with reference to the entire mine work can best be explained by stating that we have been actuated by the tenets of the old adage 'in times of peace prepare for war,' except that that with us it has operated in the reverse order. We have passed through a period of preparation which has had a definite object in view, and the end of the period finds us more convinced than ever before of the soundness of the premises on which we have stood. In December, 1917, we shut down our mill after becoming convinced of the futility of attempting to economically produce gold under the then existing conditions. Immediately after shutting down we started the campaign of work which is just being completed. This work was predicated on the belief that just as certain as the war period was no time for us to dissipate our assets in an attempt to profitably produce the metal, the period commencing shortly after the end of the war would be favorable and increasingly so as the prices of supply commodities receded before the slackened demand of the world's buyers and the metal mines, curtailing their extraordinary production, would give us a plentiful supply of mine workmen again.

Assured Ore Tonnage

"The assured ore tonnage to be mined and hoisted in itself fully justified the expenditure contemplated, whilst our belief in the future development of the property below the seven hundred foot level decided us to carry out a completed scheme to a depth of at least 1,150 feet.

"Co-incident with the completion of this work we have evidence that workmen will be available to fill every vacancy, and that they will be efficient after becoming accustomed to our methods. The cost of our operating supplies is dropping satisfactorily, explosives, cyanide, zinc dust, iron and steel, being among those we consume in largest bulk, have already declined from 10 to 25 per cent. in price.

"This points, therefore, to a situation of most favorable import to the future operations of the company. In our estimation we have before us prospects of a period which may be as favorable as any in the company's history.

"With regard to the ore reserve there has been no change in the estimates since the last statement, the tonnage being sufficient to insure the maximum capacity operation of the milling plant for a period of four years.

Outlook For Dividends

"Before concluding we desire to give some details of the present operating policy and the expectations justified from it. We hope to have the mill operating on a moderate scale the latter part of April and rapidly build up to at least 600 tons daily. From this point on the building up of additional tonnage will progress somewhat slower because it is our intention to organize the forces as efficiently as possible and not be obliged to crowd on a large number of unskilled men, especially in the mine. Since, however, we have a considerable tonnage of better grade ore ready to be drawn in the southern stopes and can run on this whilst breaking and cutting out in new places, we are confident that even during the period of building up the operation profits will be such as to justify the resumption of dividends as soon as the working capital of the corporation has been adequately built up. As the output of the mine is increased the average grade will be decreased until the balance is reached and the operating profit can be maintained and probably increased as the evolution is taking place."

MAY OMIT DIVIDEND

Action of International Nickel Directors on Monday Predicted

Action of the directors of the International Nickel Co. on the common stock dividend, to be taken at the meeting on Monday next, is being looked forward to with much interest. While no definite decision has been reached, the expectation is that the directors may now see fit to eliminate entirely dividend payments on the junior issue.

Such action would cause considerable surprise in view of the fact that the reduction of the dividend from $1 to 50 cents a share at the last meeting, in February, was believed to be the final cut in the disbursement on the common. Furthermore earnings in the nine months ended December 31 last were equal to $2.79 a share on the common stock.

The consumption of nickel, however, has undoubtedly suffered a setback since the signing of the armistice removed the urgent need of the metal for various munitions. In addition the reduced operations of the steel trade, which consumes quite a large tonnage of nickel annually, has meant a further slackening in the demand for nickel.

International Nickel Co. was hit hard by taxes following the entry of the United States into the world war, having had to pay large taxes both in the United States and Canada. Reserves for this item in 1916 was $200,302, in 1917 $628,873, in 1918 it advanced to $3,590,836, while in the nine months to December 31 last, a reserve of $3,829,680 was made.

DAVIDSON GOLD MINES

In their current market letter, F. C. Sutherland & Co., who are closely interested in Davidson Gold Mines, state that while the new shaft is being equipped with adequate hoisting facilities, ore for the mill is being taken from the 100 and 200-foot levels in the old shaft. In breaking down new ore on the 200-foot level, a new vein was discovered which promises well. The mill is running to capacity and the mine has joined the list of regular shippers of bullion.

CONSOLIDATED SMELTERS

For the week ending April 21, ore receipts at Trail smelter amounted to 7,420 tons. The Sullivan continues to lead in production with 3,181 tons, followed by the Centre Star with 2,212 tons. For the year to date receipts total 186,001 tons. 1918 figures for the corresponding week were 7,729 tons, while the year's total was 200,401 tons.

NIPISSING

A quiet and uneventful annual meeting of Nipissing Mines Company took place in Toronto on Monday. Annual reports were adopted unanimously and the old board re-elected. The chair was taken by R. B. Watson, vice-president, who stated in the course of his remarks that he believed the high price of silver would last for some time.

WEST DOME

According to recent reports from Porcupine arrangements are being made to re-open the West Dome mine. The West Dome is situated adjacent to the Dome mines on the west and is equipped with a first-class mining plant. Prior to closing down test shipments of ore had been made to the Dome Lake mill.

LAKE SHORE MINES

During the month of March the Lake Shore Mines produced $45,364.28, thus exceeding any previous month's record since beginning production in March, 1918. During the period the mill treated 1,855 tons, or an average of approximately 60 tons daily, recovering an average of $24.46 per ton. The output for the period averaged $1,463.36 daily.

The current sharp upward movement in the price of Lake Shore shares is tardy, in view of F. C. Sutherland & Co., who state in their current market letter that the mine is developing rapidly, all faces of ore bodies continuing to carry high-grade ore and that the company's treasury will soon be in a position where an increased dividend can be paid.

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Consultation with our officers places you under no obligation.

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Eastern Cities Show An Increase of 30.8 Per Cent.

TOTAL HIGHER BY 22.5%

Only Five Cities Report Lower Returns — Montreal Gains 49.4% and Toronto 14.5% —Winnipeg Shows Decline of 4.6%

For the week ending Thursday last, bank returns from the various clearing points throughout the Dominion total $305,884,659, against $249,670,185 for the corresponding period in the previous year, an increase of $56,214,474, or 22.5 per cent. In the West the showing is much better than for several months past, the total for the week being $79,996,533, a gain of $3,073,692, or 4 per cent. Only four cities in the West show lower returns. Winnipeg with a total of $44,757,082 shows a decrease of 4.6 per cent. In the East the total at $225,888,126 is higher by $53,140,782, or 30.8 per cent. Peterborough is the only city in the East to show a falling off. Montreal shows a gain of $37,805,261, or 49.4 per cent., while Toronto reports an increase of $9,990,990, or 14.5 per cent. Kitchener shows the largest percentage gain at 54 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS

(In comparison with same week last year.)

Eastern Cities.

	May 1, 1919	Change	%
Montreal	$ 114,213,095+	$ 37,805,261	49.4
Toronto	78,675,667+	9,990,990	14.5
Ottawa	8,269,568+	1,712,363	26.1
Hamilton	5,060,705+	15,532	.3
Quebec	5,928,757+	1,313,129	28.4
Halifax	4,239,527+	412,761	10.8
London	3,423,654+	960,456	39.0
St. John	2,673,444+	618,585	30.1
Brantford	915,373+	9,275	1.0
Peterboro	688,568—	94,904	12.1
Sherbrooke ..	963,616+	105,285	12.3
Kitchener	836,153+	292,046	54.0
Total, East ..	$ 225,888,126+	$ 53,140,782	30.8
Windsor	1,363,258		

Western Cities

	May 1, 1919	Change	%
Winnipeg	$ 44,757,082—	$ 2,180,618	4.6
Vancouver ...	11,952,310+	1,766,837	17.4
Calgary	6,594,744+	512,754	8.4
Edmonton	4,256,143+	1,296,897	43.9
Victoria	2,231,053+	34,853	1.5
Regina	4,079,136+	1,124,729	38.1
Saskatoon	1,947,902+	359,352	22.6
Moose Jaw ...	1,415,763+	210,329	17.5
Ft. William...	563,477—	14,552	2.5
Brandon	533,278+	68,696	14.9
Lethbridge ...	698,444—	91,556	11.5
N. Westminster	574,715+	81,930	16.6
Medicine Hat .	392,486—	95,959	19.6
Total West ..	$ 79,996,533+	$ 3,073,692	4.0
Grand Total .	$ 305,884,659+	$ 56,214,474	22.5
Yr. to date..	$4,219,788,141+	$519,493,369	14.0
Prince Albert	399,499		

MONTHLY BANK CLEARINGS

(In comparison with same month last year.)

Eastern Cities

	April, 1919	Change	%
Montreal	$ 463,754,440+	$ 89,946,989	24.1
Toronto	315,665,782+	38,960,427	14.1
Ottawa	30,749,589+	2,587,539	9.2
Hamilton	22,423,175—	654,113	2.8
Quebec	22,353,270+	3,199,137	16.7
Halifax	16,767,183—	1,161,949	6.4
London	12,110,323+	1,110,104	10.0
St. John	11,123,884+	1,033,375	10.3
Brantford	4,482,643+	367,740	8.9
Peterboro	3,209,691+	16,426	.5
Sherbrooke ...	4,002,443+	351,674	9.6
Kitchener	3,425,406+	601,756	21.3
Total, East ..	$ 910,067,829+	$136,359,095	17.6
Windsor	5,303,779		

Western Cities

	April, 1919	Change	%
Winnipeg	$ 151,888,003—	$ 58,358,239	27.7
Vancouver ...	48,996,045+	6,011,289	14.0
Calgary	23,831,494—	5,104,311	17.6
Edmonton	16,826,237+	1,572,359	10.3
Victoria	9,658,898+	802,787	9.0
Regina	14,796,178—	308,347	2.0
Saskatoon	8,128,711+	567,415	7.5
Moose Jaw ...	6,872,875+	1,233,005	21.1
Ft. William...	2,563,116—	5,172	.2
Brandon	2,509,342+	24,170	.9
Lethbridge ...	3,034,366—	530,731	14.9
N. Westminster	2,165,971+	368,202	20.5
Medicine Hat .	1,732,798—	564,667	24.6
Total, West ..	$ 293,004,034—	$ 54,292,240	15.6
Grand total ..	$1,203,071,863	$ 82,066,855	7.3
Prince Albert.	1,650,816		
Quebec	22,353,270—	3,199,137	16.7

NEW YORK FUNDS GO TO HIGH LEVEL

Rate Now Nearing Three Per Cent. With Little Prospect of Any Relief for Some Time

New York funds have been in demand during the week for month-end remittances, and the rate has been very firm, advancing to 2 13-16 to the buyer. This is the high point on the present movement and brokers are predicting a 3 per cent. rate before long. There appears to be nothing in sight at the moment to bring down the rate, the supply being inadequate to meet the demand. Following is the course of the market for the week:

April 26.—Market strong; funds sold up to 2 23-32 to the buyer, closing at 2 11-16 to the seller.

April 28.—Market active and strong; funds reached 2¾ to the seller, but closed at 2 11-16 to the seller.

April 29.—Market dull; funds sold at 2 11-16 to the seller; 2 23-32 to the buyer, closing at latter figure.

April 30.—Market fairly active and strong; opened at 2 11-16 bid; first sale 2¾ to the buyer; then sold 2¾ to the seller and closed at 2¾ to the buyer bid.

May 1.—Market inactive but strong; opened at 2¾ bid, but first sale at 2 25-32 to the seller; closed at 2 13-16 to the buyer bid.

COMMERCE

The Canadian Bank of Commerce has opened a branch at Whitby, Ont., in charge of A. H. Burland.

The Bank of Commerce has opened the following new branches:—Owen Sound, with H. C. Rae, in temporary charge; Wycoller, Sask., with W. H. Shufelt, in temporary charge; Saint Walburg, Sask., D. Munro, in temporary charge, and Spalding, Sask., with G. L. Nash as manager.

D. H. Sneddon, formerly of Milestone, Sask., has been appointed cashier of the Watson, Sask., branch of the Bank of Commerce.

The Capreol branch of the Bank of Commerce, which is now open daily, is in charge of T. Milton White, under the supervision of the manager at Sudbury.

UNION

P. D. E. Strickland, who was for several years assistant general manager of the Toronto branch of the Union Bank, has been appointed manager of the main branch at Hamilton.

K. F. Gilmour, formerly assistant to the Eastern representative, who has been manager of the Hamilton branch for the past few months, has been appointed manager at Montreal, in succession to J. B. Waddell, who is retiring from the bank's service after many years to become associated with Sir Mortimer Davis.

C. H. Pennefather, of Peterborough, succeeds Mr. Strickland, at the Toronto branch.

W. P. Hogg has been appointed manager of the Haileybury branch of the Union Bank, to succeed G. A. Bagshaw. Mr. Hogg was for some time manager of the branch at Englehart.

HOME

John Mount Duckett, of the Montreal branch of the Home Bank, has been transferred to the Winnipeg office of that institution.

STANDARD

W. G. Bedford, who has been assistant manager of the Oshawa branch of the Standard Bank for the past year or two, has been transferred to the branch at Athens, and will have charge of the branch there. C. T. Batty, formerly head cashier, has been promoted to the position of assistant manager of the Oshawa branch.

MONTREAL

A branch of the Bank of Montreal has recently been opened at Walkerville, Ont., under the management of R. S. Morphy.

The Bank of Montreal has opened a branch at Tavistock, Ont., under the management of A. J. Collins.

TORONTO

New branches of the Bank of Toronto have recently been opened at Cessford and Pollockville, Alta.

OTTAWA

The Bank of Ottawa has opened an agency at Ashton under the management of the Carleton Place branch.

DOMINION

C. A. Bogert, the general manager of the Dominion Bank, recently sailed for England on business and will be absent six weeks.

BANK OF ENGLAND

London, May 1.—The weekly statement of the Bank of England shows the following changes:

Bullion, increased	£569,435
Total reserve, decreased	£440,000
Circulation, increased	999,000
Other securities, increased .	434,000
Public deposits, decreased ..	2,660,000
Other deposits, increased ..	7,514,000
Notes reserve, decreased	444,000
Government securities, incr'd	4,863,000

The proportion of the bank's reserve to liability this week is 18.38 per cent.; last week it was 19.32 per cent. Rate of discount, 5 per cent.

BANKERS' TRUST CO.

Organization of Merchants Bank Opening for Business

MONTREAL.—The new trust company organized by the Merchants Bank opened on Thursday of this week, in the St. Peter Street entrance to the head office building in Montreal. The list of directors is headed by K. W. Blackwell, president, and D. C. McCarron, vice-president, while the other directors include: H. J. Dawes, A. B. Evans, G. L. Cairns, Thos. Long, T. Ahearn, F. Orr Lewis, Lt.-Col. J. R. Moodie, F. Robertson, F. H. Wilson, T. E. Merrett, J. D. G. Kiffen, J. M. Kilbourn W. A. Meldrum and W. B. Leitch The manager is Jas. Elmsly, formerly connected with the Bank of British North America and the Prudential Trust, and the secretary is J. M. Kilbourn. The services of several of the staff of the Merchants Bank have been recognized by inclusion as directors.

The company, which is capitalized at $1,000,000, announces that it will act as executor, trustee, guardian, consignee and liquidator, agent, registrar for corporations, as collector, as insurance agent for fire, accident, health and liability, and as manager for reorganizations. A system of safety deposit boxes has been installed.

Analysis of Bank Statment for March

ASSETS

Immediately Available Liquid Resources

	Mar., 1919	Feb., 1919		Change in month	Mar., 1918		Change in year
1—Specie ......$	80,253,572	$ 80,178,615	+	$ 74,457	$ 78,255,033	+	$ 1,998,539
2—Dom. notes ..	172,651,993	185,932,418	—	13,280,425	165,197,554	+	7,454,439
4—Gold reserve	108,350,000	103,750,000	+	4,600,000	79,420,000	+	28,930,000
9—U.K. banks..	10,763,482	9,250,181	+	1,513,301	10,750,669	+	12,813
10—For. banks ..	44,583,970	42,595,838	+	1,988,132	56,836,858	—	12,252,888
11—Gov. secs. ..	115,180,320	112,160,131	+	3,020,189	101,458,112	+	13,722,208
15—Cal. loans abd	160,116,443	155,983,681	+	4,132,762	167,296,701	—	7,180,258
	$ 691,899,780	$ 689,850,864	+	$ 2,048,916	$ 659,214,827	+	$ 32,684,853
Loans and Securities Other Than Those of Canadian Government							
12—Pub. sec. ...$	260,003,939	$ 259,422,456	+	$ 581,483	$ 250,422,761	+	$ 9,581,178
13—Rly. secs. ...	54,276,188	53,416,524	+	859,664	57,551,752	—	3,275,564
14—Can. call l'ns	87,601,337	79,154,121	+	8,447,216	74,257,877	+	13,343,460
16—Current loans	1,117,197,446	1,095,301,791	+	21,895,655	886,995,222	+	230,202,224
17—Loans abroad	123,894,608	130,590,063	—	6,605,455	102,317,679	+	21,666,929
19—Prov. loans ..	6,636,143	6,159,859	+	476,284	5,904,623	+	731,520
20—Municipal ...	41,993,305	36,830,183	+	5,163,122	50,652,061	—	8,658,756
	$1,691,692,966	$1,660,874,997	+	$30,817,969	$1,428,101,975	+	$263,590,991
Other Assets							
21—Over. debts..$	4,267,700	$ 4,230,608	+	$ 37,092	$ 4,613,544	—	$ 345,844
22—Real estate ..	6,106,956	6,031,773	+	75,183	5,560,368	+	546,588
23—Mortgages ..	2,280,556	2,190,930	+	89,626	1,800,597	+	479,959
24—Premises	53,317,635	53,005,275	+	312,360	52,388,798	+	928,837
25—Lets. of cred.	28,928,930	31,201,120	—	2,272,190	20,646,226	+	8,282,704
26—Other assets .	2,447,520	2,055,243	+	392,277	2,642,861	—	195,341
	$ 97,349,297	$ 98,714,949	—	$ 1,365,652	$ 87,652,389	+	$ 9,696,908
Total ......$	2,480,942,043	$2,449,440,810	+	$31,501,233	$2,174,969,291	+	$305,972,752
3—Note cir. deb.	5,865,538	5,860,927	+	4,611	5,776,890	+	88,648
5-8—Int. bk. bal.	125,356,130	119,889,754	+	5,466,376	121,731,430	+	3,624,700
Gross ....$	2,612,163,711	$2,575,191,491	+	$36,972,220	$2,302,477,611	+	$309,686,100
LIABILITIES TO THE PUBLIC							
Liability to Government and Circulation							
1—Circulation ..$	214,576,870	$ 204,779,750	+	$ 9,797,120	$ 191,058,404	+	$ 23,518,466
2—Dom .Govt. .	228,201,515	238,256,091	—	10,054,576	89,606,599	+	138,594,916
3—Prov. Govt. .	21,646,571	20,800,869	+	845,702	19,275,830	+	2,370,741
Deposits by Public							
4—Demand dep..$	566,797,268	$ 566,775,434	+	$ 21,834	$ 561,042,236	+	$ 5,755,032
5—Saving dep. .	1,037,851,766	1,018,184,513	+	19,667,253	921,080,803	+	116,770,963
Total Can. ..$	1,604,649,034	$1,584,959,947	+	$19,689,087	$1,482,123,039	+	$122,525,995
6—Foreign dep..	210,104,607	200,560,306	+	9,544,301	196,257,632	+	13,846,975
Due to Banks Abroad, Etc.							
9—U. Kingdom..$	4,534,803	$ 3,413,395	+	$ 1,121,408	$ 4,636,373	—	$ 101,570
10—Foreign	29,217,468	23,953,348	+	5,264,120	30,520,296	—	1,302,828
11—Bills pay. ...	1,931,593	1,697,396	+	234,197	2,180,443	—	248,850
12—Acceptance ..	28,928,930	31,201,120	—	2,272,190	20,646,226	+	8,282,704
13—Other liab. ..	2,935,727	3,884,659	—	948,932	6,440,251	—	3,504,524
Public liab...$	2,346,727,118	$2,313,506,882	+	$33,220,236	$2,042,745,093	+	$303,982,025
8—Due bet. bks.	11,431,201	11,507,772	—	76,571	10,154,480	+	1,276,721
Gross ....$	2,358,158,319	$2,325,014,654	+	$33,143,665	$2,052,899,573	+	$305,258,746

NATIONAL BRICK

Bondholders Approve of Plans to Save Company

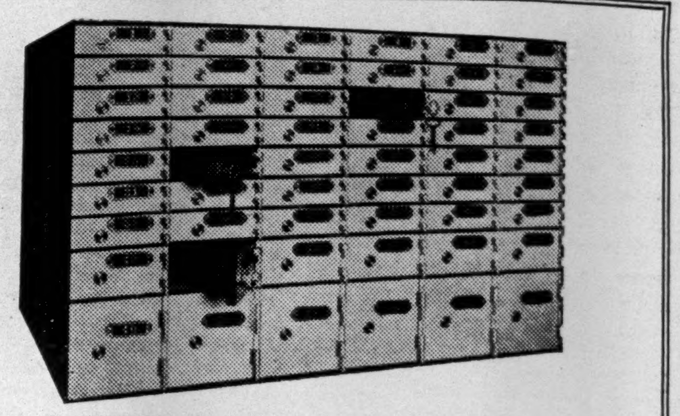
MONTREAL.—The annual meeting of the National Brick Co., of Laprairie was held yesterday afternoon, the business consisting mainly in the approving of a plan set forth by the bondholders for their protection and at the same time whereby the company might continue to operate in the usual manner.

The main feature of the change consisted of a proviso in the Trust Deed, whereby the bondholders agree to accept a payment of two per cent. on their bonds after 1922, being sufficient to prevent the company going into liquidation.

The annual statement of the company was practically the same as it has been year by year since the commencement of the war.

A Jewel of The Highlands

THE "Lake of Bays" is one of the jewels in the great chain of lakes reached through Huntsville on the Grand Trunk, 145 miles north of Toronto, and is one of the most beautiful of Ontario's summer resort districts. Hotels to suit all pockets, good fishing, perfect immunity from hay fever, golf and many other attractions await the visitor. The altitude of this lake is 1,000 feet above the sea level, which ensures invigorating and pure air. Handsome illustrated descriptive literature sent free. Apply to C. E. HORNING, D.P.A., Toronto, Ont.



SAFETY DEPOSIT BOXES

Placed in the Branch Offices of any Bank, Safety Deposit Boxes are a good source of revenue.

They bring in new customers and enable the branch manager to keep in close touch with his customers.

Write for full particulars and prices to

J. & J. TAYLOR, LIMITED

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Overland Model 90 Touring, $1360
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Willys-Knight Four Touring $2575
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Oh Boy!

The owner of an Overland owns all out of doors. In his Model 90 he goes in comfort and with an enjoyment possible only because of the high quality, fine appearance and unfailing performance of his car.

Last month in Oklahoma, U. S. A., a *stock* Model 90 Overland car broke the world's non-stop *high gear* record, 4,370 miles in 7 days and nights in *high gear*, over bad roads, with a gas record of 20.66 miles per gallon.

This durability and economy is an every-day advantage for Model 90 owners—order yours now.

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NEWS AND VIEWS FOR MANAGERS

HEADS OF BANKS ANSWER GRANDE PRAIRIE CHARGE

General Managers Deny Interest of 1% Per Month is Being Levied

PIONEER FINANCING

Costs More to Render Service on "Outskirts of Civilization" —How the Banks Endeavor to Meet Public's Needs

The complaint that the banks have been charging as high as 1 per cent. per month on small loans at Grande Prairie, Alberta, has been subject to the most thorough investigation by THE FINANCIAL POST in the belief that a better understanding can thus be reached of the relations of the banks and the public—an understanding which will help to dispel the dissatisfaction with the branch bank system which occasionally crops out, particularly in the West. Not only was the matter brought to the attention of the officers of the Canadian Bankers' Association but also to the general managers of the Canadian chartered institutions individually.

The Bankers' Association is still making inquiries and has not yet made a statement, but that the matter has been carefully considered by the executive heads of the banks is indicated by the replies which have been received dealing in a thorough and extended way with the situation. These replies indicate that if such charges have been made at Grande Prairie it has not been recently, and if at all in the earlier pioneer days of the settlement and only on small loans for a short period. Further, they argue in a very practical way that there are many reasons why there should be somewhat higher rates charged for bank service on the outskirts of civilization than in the developed business communities—all business at such points is on a different basis.

Perhaps more impressive than the arguments themselves from the standpoint of the Canadian banking system is the attention which high officials have given to this matter. The manner in which investigations have been made to get at the bottom of the whole question, as indicated by the communications received, would go a long way to convince the most violent critic of the present system that the individual customer can get consideration "at the top" and would dispel any impression that the banks are endeavoring to get a strangle hold on the small customer.

Replies received from the heads of bank established at Grande Prairie —three in number—indicate that the maximum rate of interest charged on loans is 10 per cent. with advances for stock raising and other sound agricultural projects at 8 per cent. At the same time it is contended that on small commercial loans at this point, far north in the Peace River country, a rate of 12 per cent. would be warranted by conditions. There are only a few hundred people in the town and there are three banks established, a fact which, it is pointed out, should ensure keen competition. In this connection we quote from the statement of the general manager of one of the banks directly interested:

> The Peace River District is on the outskirts of civilization and we do not consider that the banks could reasonably be expected to maintain branches in such a newly opened section on the same basis as they would in the more settled parts of the country. The mere opening of a branch in these outlying districts is an expensive matter and its upkeep even more so; besides this the risk of loss is considerably greater than in more settled districts and to offset this the banks must charge proportionately higher rates.
>
> The interests of the banks are as much bound up with the West as they are with the East, and our policy has been to meet the farmer more than half way provided that we can do so without undue risk.
>
> "We wonder if your correspondent "A Western Retailer," would be satisfied to sell his goods at the same price in Grande Prairie for which similar goods are sold in Winnipeg or Toronto.

On this point as to the cost of pioneer service another general manager submits that in many cases new branches do not pay for some years and that in the meantime they are a factor in developing a community from which the bank hopes to later obtain profitable business. Under such conditions, he asks, how long would such a community as Grande Prairie have to go before a private bank was established?

The head of another bank directly interested outlines the conditions in a newly-developed country and states that his bank has had no complaints from the Peace River country. Regarding criticism of the bank system he continues:

> I am of the opinion that considerable of the agitation against the banks is simply one evidence of the feeling of unrest and discontent, which is very much intensified by platform agitators and newspaper articles. I believe, however, that in the main the Canadian banking system is well adapted to the requirements, but in its application from the Atlantic to the Pacific—more particularly in a new country like Western Canada, where extension has been rapid and where, owing to depletion of staff on account of war conditions, it has been difficult to maintain efficient service—there must necessarily be certain causes of friction, but I believe that the banks have an honest desire to give good service and that the most efficient work towards a better understanding can be done through the local managers. Steps have already been taken to provide for closer co-operation between members of the local farmers' organizations and the banks with a view to dealing with any causes of complaint.

Regarding the Sidelines

The general manager of a third bank directly interested states that he has had discount sheets examined and that in no case was interest charged "at anything like as high a rate as that to which you refer. The average rate was very much lower than the rate complained of and departures from the average were occasioned by exceptional circumstances." He states, however, that the matter will be brought to the attention of the bank's Western superintendent, and, if necessary, before the Western Section of the Canadian Bankers' Association.

This manager and several others also take up the complaint about bank managers acting as insurance agents, and in other ways handling sidelines. He says that "nothing of the kind is countenanced by this bank." Another manager says that the practice is firmly discouraged and that "an infraction of the rule, if it came to light, would be very severely dealt with." This, he observes, "also applies to most of the other banks."

The banks, like many other branches of business have a good case. They should be more aggressive in putting it intelligently before the public.—J.W.T.

U.S. AND FRANCE IN BANKING ALLIANCE

New Institutions to Promote Trade Between France and America

NEW YORK. — An alliance of French and American banking interests to promote trade between France and the United States, has been effected through the incorporation in this state of what is to be known as the French-American Banking Corporation. The French participant in the alliance is the Comptoir National d'Escompte de Paris, which takes half the capital stock. The American interests are the First National Bank of Boston and the National Bank of Commerce in New York, each holding one-fourth the capital.

The corporation is capitalized at $2,000,000, with a surplus of $500,000 all paid in. Incorporators are James S. Alexander, president of National Bank of Commerce; Daniel G. Wing, president of the First National Bank of Boston; Maurice Silvester, American representative of the Comptoir National d'Escompte de Paris, and others. Mr. Silvester will be president. There will be twelve directors, six to represent the American group and six the French group.

The plan of operation, it is declared by the organizers of the new corporation, means that hereafter American business men will be able to avail themselves of banking facilities in France as advantageous as Frenchmen themselves enjoy.

"America's new position as the world's chief source of capital for international commerce necessitates the development of the foreign business of this country's banks to meet the unprecedented conditions," said President Alexander of National Bank of Commerce in discussing the new corporation. "This alliance of great French and American banks represents, we believe, an efficient instrumentality to facilitate and foster the trade relations between the United States and France which the new era demands. To consider it a most practical way to realize the necessary co-operation between French and American banking, and to give America's business men the benefit of the experience and connections of native French bankers that could be given to them in no other way."

BANK BRANCHES

According to Houston's Bank Directory for April, there were 129 new branches of the Canadian chartered banks opened during March and 6 branches closed. The number of branches in Canada at the end of February amounted to 3,760; in Ontario the number was 1,266; Quebec 932; Nova Scotia 134; New Brunswick 89; Prince Edward Island 30; Manitoba 266; Alberta 332; Saskatchewan 529; British Columbia 179; and Yukon 3. In Newfoundland the number was 28, and elsewhere 101, making a

MEETING THE CRITICISM OF BRANCH SYSTEM

Bankers' Association is Taking Action Along Progressive Lines

WORK FOR MANAGERS

It Will be for Branch Heads to Deal With Complaints of Customers—To Head Off Western Agitation

There is evidence from many sources that there is under way in Western Canada an organized propaganda against the branch bank system. The alternative usually suggested is the local bank system of the United States. Elsewhere in this issue a number of points of criticism against the treatment of the farmers by the branch banks are dealt with. But there are two points I would like to emphasize:

One is that I understand the Canadian Bankers' Association has decided to investigate charges such as have been made, and where it is found that they are justified and unwarranted, either in the case of an individual bank, or a fault of the system as a whole, steps will be taken to have them remedied. It is quite possible, indeed inevitable, that managers should at times misinterpret the policy of head office to the injury of the local client or would-be client. That is not the fault of the system. It should be a matter between the head office of the bank in question and the local manager. Where the system is found to be weak, that should be a matter for mutual action. In any case the Bankers' Association is pursuing a wise course under the circumstances, and one that should win approval among critics of the system. This applies to those who may either have a real grievance, or are ignorant of the whole facts.

Up to Local Men

The other point is that it will rest with the local managers in the main to meet and disarm criticism. They are in closest touch with the farmers, day by day, and it is they who must chiefly make clear the needs for the safeguards that head office forces them to preserve in the case of all applications for credit. They can answer, satisfactorily, points of criticism such as that the Canadian banks send their millions off to New York to loan at higher net rates than they could make in the West; that the banks make exorbitant profits; that credits are restricted for the West in order that the money might be poured forth to Eastern manufacturers; and a score of like criticisms. Nor would it be at all difficult to establish the greater safety to the depositor of the Canadian system; nor the extension of banking facilities to embryonic towns long before a local bank system could afford the initial yearly deficit. And many, many more.

Meeting and Greeting Farmers' Clubs

The appearance lately of a leading official of a bank before one of the largest farmers' organizations of the West in a combined defence and exposition of the present system, suggests another service that the bank manager could perform for the whole banking system in Canada, as well as more thoroughly familiarizing himself with farming conditions in his community, an invaluable knowledge when it is with the farmers, their crops, their equipment, and their cash needs that he has daily to concern himself with. Moreover, as has been pointed out before under somewhat different circumstances in these columns, such activity would be a most valuable business getter for the manager's own branch.

Attitude to These Critics

There is one more point I would like to dwell on at this stage: where the criticism leveled at the banks appears at all to be sincere—perhaps the outcome of what is felt to be "righteous indignation,"—the bank manager on the prairie, as the head office man in the city, should welcome it rather as an opening for strengthening the bank's claims to support for excellent service provided to the public, or equally welcome it as a suggestion for rubbing off a few of the inequalities that are inevitable, and thus making the Canadian bank system more and more the superior of any other, the Scotch from which it sprung, the English, or the very different one that covers the various states of the Union.

This attitude is the only one that reflects the spirit of the times; it is the attitude of those public service corporations that are doing most to justify the superiority of private enterprise over state operation, or a strangling system of Government control.—J.W.T.

LABOR UNREST MAY DISTURB THE MARKETS

Continued from page 1

of the Canadian Government stands in marked contrast with the action of the British Government during the recent labor disturbances in Great Britain, when firm steps were taken to bring the trouble to an end.

Investment Buying Active

Meantime, a healthy tone permeates the stock markets at the present time. On both the Montreal and Toronto exchanges a steady volume of investment buying is to be noted. Stocks are being taken off the market and placed in strong boxes, and gradually the floating supply is being gradually reduced. This puts the market in a strong position and gives a solid basis for the recent price advances that have been recorded. Much confidence is felt in the future of those Canadian industrial companies, whose stocks are being traded in on the exchanges, and, as favorable reports continue to be issued from time to time, this feeling of confidence grows. The increasing interest being shown in common stocks indicates that the period of uncertainty is passing and that the public are beginning to appreciate more keenly the speculative possibilities of these issues.

While the bond market continues to evince strength and prices are holding well, it is the feeling that this is due rather to a limited supply of bonds than to any heavy demand for them. Buying is by no means as active as it was earlier in the year. Quite possibly this may be attributed to the withdrawal of the large institutional investors from the market, their absence making itself felt more appreciably than any other class of buyer. Institutions are reported to be placing more of their funds in mortgages at present, and accordingly are not asking for bonds to the same extent as before.

In the meantime individual demand is quite good, the people having been educated through Victory Loan purchases to a keener appreciation of the merits of bonds as an investment, a situation which has been helped by this week's distribution of Victory bond interest.

Mining Market Active

Two hundred thousand share days have characterized the week's business on the Standard Mining Exchange, which represents quite active trading in mining issues. Strength in the gold stocks has again been the feature. This has divided itself between the established properties like Hollinger, McIntyre and Lake Shore, all three of which have experienced substantial advances, and the cheap speculative issues like Keora and Gold Reef. The buying has been steady and persistent, and is indicative of a genuine investment demand for these promising gold stocks. The silver list has been less active, though there has been some buying of stocks like Adanac and Beaver, of the former on the strength of satisfactory developments on the property itself, and of the latter because of the progress being made at its subsidiary, the Kirkland Lake.

THE NEW YORK MARKET

The New York markets have been exceedingly active and strong. As Spencer, Trask & Co. put it in their latest market letter, "the public and speculators of professional and semi-professional character have been creating a market of recent weeks, which, for breadth, strength and activity, has not been equalled in years. Stocks representing every group—sugar, tobacco, steel, oil, chemicals, etc., have been taken in hand, and each in turn has had its days of violent activity. Finally, railroad stocks were taken up a few days ago, and now the market is in full stride."

CHANGES DURING THE WEEK

	Last Apr. 24	Sales May 1	Ch'ge
Can. Bread, com.	*19¼	22	+ 2¾
Do., pref.	83	82	— 1
Can. Cement, pref.	101¼	100	— 1¼
Can. Car., com.	29	30½	+ 1½
Cons. Smelters	28	29	+ 1
Dom. Canners, com.	39	42⅝	+ 3⅝
Do., pref.	86	90	+ 4
Dom. Steel Corp.	61	63	+ 2
Dom. Textile	'114	113	— 1
Goodwins, pref.	*54	56	+ 2
Maple Leaf Mill., com.	139½	140	+ 9½
Nat. Steel Car, pref.	53	49	— 4
N.S. Steel	55	66½	+11½
Ogilvie Mill., com.	215	219	+ 4
Russell Motor, pref.	83	85	+ 2
Saw.-Massey, pref.	35	38½	+ 3½
St. Law. Flour, com.	91¼	93	+ 1¾
Do., pref.	85	88	+ 3
Tooke Bros., com.	26	28	+ 2
Tuckett Tobacco, com.	29½	36	+ 6½
Atlantic Sugar, pref.	81⅛	82¼	+ 1⅛
Quebec Rly.	20	18⅞	— 1⅛
Toronto Rly.	42	45	+ 3
Winnipeg Rly.	*48	45	— 3
Mackay, com.	75¾	78	+ 2¼
Shawinigan	118½	121	+ 2½
Bk. Hochelaga	*148	149¼	+ 1¼
Imperial	200	198⅝	— 1⅜
Montreal	225	218	— 7
Nova Scotia	268½	270	+ 1½
Abitibi Paper, pref.	*80	82	+ 2
Brompton	57	55¼	— 1¾
Laurentide	207½	208½	+ 1
Riordon Pulp, com.	120½	122	+ 1½

*Last

ACTIVITIES OF UNION BANK IN FAR EAST

Branch of Park-Union to be Opened Shortly at Yokohama and Others to Follow

The Eastern visit this week of H. B. Shaw, general manager of the Union Bank of Canada, brought out announcements foreshadowing important international and domestic extensions of that institution. Mr. Shaw went to New York, accompanied by J. S. Hiam, superintendent of branches, for the purpose of completing the organization of the Park-Union Foreign Banking Corporation, and attending the formal opening of the New York branch of this new-formed $2,000,000 foreign trade subsidiary. Particular interest centres in this venture into the Oriental banking field, because it is the first working alliance consummated between an American and a Canadian bank.

While in Toronto Mr. Shaw received advices that the Park-Union Foreign Banking Corporation had secured a permanent location for its branch at Yokohama. Geo. Wilson, assistant general manager of the bank, and F E.. Kenaston, one of the directors, are at present in the Far East looking after the preliminary work of locating branches, the next to be established being at Kobe, Japan, and at Shanghai, China.

Through the agency of this new enterprise the Union Bank anticipates doing its share in assisting Canadian exporters to increase their trade with the Orient and the Yokohama agency should prove of great value to Canadian importers, inasmuch as it is the intention to establish there a bureau of information which will collate statistics and other information relating to Japanese affairs generally. This will bring the manufacturer of the East more closely in touch with the importers on this side of the water.

BOOKS for BANKERS

Business Finance
By William H. Lough, 1918. 631 pages. $4.00.
A work on securing and managing money and credit. Covers the use of bank and trade credit, handling financial involvements and reorganizations. Full of well-chosen examples from the actual history of large and small concerns.

Principles of Depreciation
By Earl A. Saliers, Ph.D., 1918. 200 pages. $3.00.
Gives in concise form the meat of the depreciation question from the accountant's standpoint.

The Financing of Public Service Corporations
By Milton B. Ignatius, L.L.M., 1918. 508 pages. $5.00.
A decidedly authoritative, problem-solving guide for the corporation officer, the accountant, the banker, broker, and public official.

Auditing Theory and Practice
By R. H. Montgomery, C.P.A., 1918. 781 pages. $6.00.
A book of unique value to accountants and financial officers of corporations, containing an immense amount of information on accounting and financial questions.

Extended Bond Tables
By the late Charles E. Sprague, C.P.A., 1915. 233 pages. $6.00.
The distinctive features of these tables are their scope and accuracy. The results are carried out to 8 places of decimals, giving values accurate to the nearest cent in $1,000,000.

Graphic Methods for Presenting Facts
By Willard C. Brinton. 1918. 371 pages. $5.00.
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Montreal, 3rd May, 1919

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SEALED Tenders endorsed "Tenders for Province of New Brunswick Bonds," addressed to the undersigned, will be received for the purchase of $1,000,000 (One Million Dollars) three-year Gold Bonds of the above Province, to be dated May 15th, 1919, bearing interest at the rate of five and one-half per centum per annum, payable half-yearly on the 15th May and 15th November. Principal and interest payable in Gold at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at Bank of Montreal in St. John, Montreal or Toronto, or at the Agency of the Bank of Montreal in the City of New York, at the option of the holder.

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The Comptroller General,
Province of New Brunswick

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TORONTO, MAY 3, 1919

PROFITS NECESSARY TO HEALTH OF INDUSTRY

THE demand of labor to-day is not only for higher wages and shorter hours, but for a share in profits and a share in ownership—if not total ownership, in fact. It yet remains to be seen how far such demands can be carried without "killing the goose." Labor can not have more than it can earn even with the rewards of capital altogether eliminated and the payment of management brought down to the basis of the laborer. Further, when all the profits are taken out of industry there can be no expansion and if production is curtailed then consumption must also be restricted; the people must go without what is not produced.

This impractical talk of distributing profits to workers has aroused *Printers' Ink* to point out the necessity of ploughing a part of the profits back into the business, on the theory that if the soil is robbed of its fertility and nothing put back in there will soon be nothing but sterile land. Business likewise when starved of profits will soon eat up its own capital. A plan which would return six per cent. on the invested capital and would distribute the balance to the workers would mean such starvation. *Printers' Ink* adds:

> If that practice were generally followed, business would stop growing. A concern that is being milked dry of all the profits it will bear, cannot flourish.
>
> In order to expand, to build more solid foundation, to reach new markets and to meet all of its opportunities, a business must absorb a good share of its profit. That is the only sound way of financing its own expansion. For years many a business man, even though successful from the start, was not able to take any profits from his enterprise. He needed all his gains to give the sort of service to his patrons that he thought they were entitled to.

Attention is called to the fact that the Armour concern was built up by ploughing back into the business over 87 per cent. of the total profits. Further:

> This is a common experience. Our most substantial business institutions have largely followed this plan. It is said that the difference between the strong retail chains and the weak chains is that the former started in humbly and financed their growth out of their profits; whereas, the latter tried to start in big, letting the public finance them. After years of steady building, the former became so strong that they were able legitimately to capitalize their good will, whereas the other type of chain sometimes sought to capitalize good will before it existed.

Upon such points more information should be given to the public. If the workers could be brought to realize the danger of mining industry of all profits there would be less heard of the social revolutionary movement. The difficulty with business generally is that it has been ignoring public opinion until ignorance is breeding a Socialistic menace. Intelligent publicity will do much to counteract this movement.

SIR ADAM VERSUS OTTAWA

THE people of Ontario, having been asked to support public ownership to the extermination of private interests by every means at the command of a dominating force in provincial politics, are now asked to fight against public ownership as a Dominion project—in other words, to pin their faith to Sir Adam Beck and Sir Adam Beck alone. And Sir Adam not only wants to monopolize the power services and establish his own system of radials but to take over the national railways within the province.

The situation has many interesting angles apart altogether from the question of the soundness of the whole public ownership policy, particularly as exemplified by the Ontario Hydro Commission.

In the first place, the development of international waterways is a Dominion affair. That the Dominion Government will hand over this privilege to the province is indeed doubtful. Ottawa politicians have long been envious of the increasing influence of Sir Adam Beck and such pro-public-ownership declarations as that of Sir Thomas White indicate that they are willing to experiment with this new political force. For the same reason they are not likely to favor handing over the national railways to the provincial commission. Nor can it be conceived that even under public ownership the suggestion would be considered of trying to conduct a transcontinental system with a man of the Beck type controlling the central portion.

It is also most unlikely that the Dominion Government would play up to Sir Adam's idea of controlling all water power developments for the public ownership schemes in the hope of placing the C.P.R. at a disadvantage. This is in keeping with his usual policy. We doubt, however, if with the great amount of surplus water power available the Dominion Government would refuse to sell to the C.P.R. in the hope of being able to undermine the position of that very efficient system. It is a sad thing when public ownership has to depend upon Beck methods to compete with private enterprises. If public ownership is more costly the people will pay in the long run, no matter how the books may be kept.

THE WEST'S REAL ATTITUDE

IT is difficult to understand the attitude of the *Grain Growers' Guide* in opposition to a scientific examination into the tariff matter. The cry is that it means delay: The "Guide" says: "An inquiry into the tariff is one of the favorite protectionist devices for delaying action in regard to the tariff."

THE FINANCIAL POST has long advocated the appointment of a tariff commission. The same objection was advanced last year as this year. Had there been an acceptance of the commission idea when it was first advanced the whole situation might have been cleared up on a practical business basis by this time. As it is there is as yet no satisfactory settlement in sight.

Canada is economically committed to a policy of protection—that is admitted except by the extreme radicals. But the tariff must be justified as a national policy. Whether the present duties are too high is a matter for careful consideration. It is too important and too highly technical a matter to be decided by the outcome of any political football match. An inquiry by experts representing the various interests concerned and the appointment of a permanent body to consider further adjustments from time to time—a commission such as has so successfully handled the transportation situation—is the only sensible solution. Men of the broad vision West as well as East must realize this. We believe they do. The attitude of the *Grain Growers' Guide* can, therefore, only be considered as unfortunate. We sincerely doubt if it properly interprets the broader interests of those for whom it is supposed to speak.

THE MANUFACTURER AND THE TARIFF

THE further the discussion of the tariff question is carried the more it becomes evident that the only hope for an intelligent and business-like solution of the complex problems involved is through an inquiry by competent and practical representatives of the conflicting interests, independent of political affiliations.

The lengths to which political ardour may carry advocates of low tariff principles and the lack of understanding of even the simplest factors involved is indicated by the statement of the Kingston *Whig*, that "a $200 article that is protected by a 40 per cent. duty gives the Canadian maker a profit of $80 over his normal profit and takes it away from the farmer........"

This idea that the manufacturer gets the full benefit—in his own pocket—of the tariff has also been supported by the Toronto *Globe* but the *Globe* has recently suffered a change of opinion on this point and, with the aid of its favorite blue books, has been arguing that immense quantities of essential raw materials and of fuel required by Canadian industry have been coming in under the general tariff—the articles include raw cotton, raw wool, raw furs, crude rubber, hides and leather, coal and petroleum. On these, says the *Globe*, the importers had to pay "almost sixteen million dollars before they could use them as raw materials" and "such a tax upon industry should be wiped out at once."

Even the Regina *Leader*, one of the most rabid of the Western low tariff advocates, would not go so far as to argue that the manufacturer puts all the protection in his pocket. It works out the complex argument that: "The people were denied the right to import cheaply, in the so-called national interests but the manufacturers continued and still continue to import. Their imports of raw materials account for the major portion of Canada's import trade."

These are only three views taken from current editorials of influential Canadian newspapers. Is it any wonder less many others equally confusing. Is it any wonder that an inquiry by men with practical knowledge of all the interests involved is being demanded?

EDITORIAL NOTES

IF THE delegates at the Guelph Hydro convention had taken a little time to investigate the results of public ownership in that city, there might have been less enthusiasm for the proposals of Sir Adam Beck.

* * *

AN OPEN FORUM audience at St. Catharines bolted when asked to sing the National Anthem, indicating that there are better Bolshevists or poorer hypocrites in that city than some others.

* * *

WHEN public ownership advocates make such statements as: "Except in the case of a comparatively small number of points served by two railways, THERE IS NO RAILWAY COMPETITION IN CANADA, and in the very nature of things there cannot be," it gives some idea of their utter inability to consider the issue in a practical way.

* * *

ON THE evidence of its own enquiry into the coal situation the Toronto *Globe* is convicted of having previously published a lot of rubbish on this question. If the *Globe* would leave its editorial arm-chair more frequently it would discover that it is equally unsound in its views on other matters bearing upon practical business and industrial issues. Canadian woollen and implement manufacturers, packers and millers should be entitled to as much consideration as American coal mine operators.

* * *

AT a congratulatory dinner to Sir Auckland Geddes, who is returning to Canada as principal of McGill University, Mr. Bonar Law said that one of those who had shown the greatest common sense and sound judgment at the Peace Conference, and who was listened to with respect, was the Canadian Prime Minister. He (Mr. Bonar Law) had that afternoon read about the "Old Gang," and he had to acknowledge that he belonged to it himself. In connection with the Government there had been a larger number of big posts than big men able to fill them. He believed that if the "New Gang" would make its appearance the "Old Gang" would be very glad to take a rest.

* * *

THE Ontario Legislature having for the time being frustrated Sir Adam Beck in his plans to wreck the Metropolitan Railway by the public ownership, below-cost-service method, there is now a campaign to make Sir Adam boss of Toronto for 1920 by defeating all those who opposed his proposals in the city council. This would entail the return for a sixth term of T. L. Church, the "Marathon Mayor," who by natural and other qualifications is peculiarly equipped to dance to the string-pulling of the Hydro and the *Telegram*.

A NEWSPAPER EDITOR IN UNITED STATES TREASURY

Carter Glass, Who Again Goes Contrary to Technical Advisers in the Fifth Liberty Loan Campaign

Although the war is over and American bankers are agreed that the fifth Liberty Loan must be floated on a purely commercial basis, there is one man who believes that, even though excitement has been dulled by the cessation of hostilities, the American spirit still lives—that man is Carter Glass, secretary of the United States Treasury. Because he still so believes, the campaign is being conducted as a patriotic as well as business proposition. Secretary Glass is accustomed to finding the experts against his views. In the past he has usually been successful in getting their endorsement in the end. It came out that way with the Federal Reserve Act. Bankers who condemned the measure when it went through Congress frankly admitted that it saved the country from panic during the war, according to Bassett Blackley, who writes as follows in *Forbes Magazine*:

The task in currency reform had disturbed many greater financiers than Carter Glass. Senator Aldrich, who had endeavored to steer through Congress the Bill bearing his name, had been brought to the verge of a breakdown; another chairman had previously suffered an attack of nervous prostration. But Glass was not dismayed. When he took over the chairmanship of the House Banking and Currency Committee he had a draft of his currency reform Bill already in shape to present to President Wilson. That draft eventually was elaborated into the Federal Reserve Act, one of the finest measures of its kind ever devised.

Application and hard work enabled Carter Glass to put the Bill through Congress. He clung to that Bill with an affection known only to a real creator, guarding it from alterations and amendments, and fighting for it at every stage, frequently against members of his own party. Then the Act went to the Senate, and came back literally torn to pieces. Once more Glass renewed his fight, this time on the Senate amendments, and one by one the changes were eliminated and the Bill returned to the shape in which Glass had prepared it.

A particularly strong effort was made to retain an amendment offered by a Southern senator, but which Glass was determined to knock out. One morning he appeared gleefully before the House member who was supporting the senator's proposition.

"Say, do you know you've kept me awake for three whole nights?" he said. "I was worrying along about four o'clock this morning when suddenly the word 'substance' came to me. Like a flash I had my whole plan of action mapped out around that word. I jumped out of bed and wrote it down at once, and I've got you fellows where I want you."

That is the intensive manner in which the Secretary of the Treasury goes after a subject. He does not tackle everything so vigorously, because matters which do not interest him he drops at once. Those that arouse him get all of his powers of concentration. If a book attracts his attention, he is apt to read it right through from cover to cover, otherwise it soon goes into the discard. Whatever he does take up he masters.

When Glass first came to Congress back in 1902 he did not like his committee assignment. He was a newspaper man, not a banker, he contended. But the leaders prevailed upon him to continue. He was far from well at that time. He had been a hard worker in his youth, and his health had failed to such an extent that he was hardly able to appear at the Capitol. He is all over that now, thin, wiry and energetic at sixty-one. Small of stature, with ruffled hair in which the former red is showing the flight of time, twinkling eyes when he is amused, but a tight-lipped mouth that shows determination. Glass is in good trim for the big job ahead of him.

Works More Than Talks

In his early days in Congress he did not go in for making a record, and he was seldom heard in debate. He applied himself, however, to a study of banking problems, and his knowledge of the foreign systems and the laws of other lands soon broadened to remarkable proportions.

Financiers who came to Washington during the hearings on the Federal Reserve Act, when Glass had finally reached the topmost place on his committee and was putting his long years of study into practice, were frankly amazed at the Virginian's comprehensive grasp of the problems of the financial world. He goes right to the heart of things, just as he would write a newspaper article, simply and directly. Like a newspaperman, too, he claims that his mind works best at night. When he was drafting his currency reform Bill he often sat up until the dawn, working it out in the tersest phraseology that would cover the points. In his clear, precise handwriting the principal sections of the Act were transcribed, with few interlineations, on the small pads of ruled paper which he demands.

Carter Glass is not a talkative man. The autobiography in the Congressional Record, which frequently ygives a clue to the manner of man a member may be, in the case of Carter Glass is characteristically short and to the point. There are many qualities of the politician which he lacks entirely. He does not make any notable speeches, for instance, although in debate he is one of the keenest of antagonists, and members of the House early learned not to stir him up. Unlike many of the Southern congressmen, he never indulged in oratory merely for the rhetorical effect. Furthermore, he was not in politics until in his forties. Nor is he known as a good mixer.

His weakness for failing to recognize people has often been commented upon. In Lynchburg he so frequently passed by his friends without seeing them that it became a source of mortification to him. One day his son said, "Father, you cut one of your very best friends to-day. He spoke to you and you paid no attention whatever to him." Glass was greatly distressed and wanted to start off with an apology at once. "Well, don't go any further, I was the man," said his son.

Glass really knows everyone in Lynchburg. He has lived there practically all his life, as did his father before him. Those things count in Virginia. Major Robert H. Glass, his father, was the postmaster at Lynchburg under both the United States and the Confederate Governments. He also was the owner of the Lynchburg "Republican," one of those old-style journals that went boldly into the public arena. The fourth son born to Major Glass and his wife, Augusta Christian, was the future Secretary of the Treasury, whose birthday was January 4, 1858.

The youngster grew up in the reconstruction days, when his father was suffering from the reverses common after the Civil War. When he was only fourteen young Glass decided to start out on his own account as a wage earner. Having been raised in the atmosphere of the presses, and having cherished a boyhood ambition to become the owner of a paper like his father, he naturally turned to the newspaper office.

CONFISCATORY LEGISLATION IN NOVA SCOTIA

Continued from page 3

quite possibly also, without advantage to the public.

Confiscation in the Past

Legislation of this kind need not be wondered at when the bill of some three years ago is remembered. This, in effect and actually, confiscated all the fishing rights of Nova Scotia rivers, that certain people had expended thousands of dollars in obtaining. They had developed these rights, had improved the adjoining lands, built fishing camps and employed considerable labor in looking after their salmon pools, but the legislature, regardless of all this, passed a bill which permitted anyone to fish in these pools, irrespective of the property loss or rights of the owners. Men like W. A. Black, H. R. Silver, G. W. Hensley and others in this city had spent thousands of dollars on fishing rights on the rivers of Nova Scotia. They woke up to find that the legislature of Nova Scotia had given the public all the rights in the fishing pools that they had paid for, except the actual use of the camps which had been built, and that not one cent of compensation was allowed them. They have sought in vain to obtain a remedy and they consider the salmon pools valueless to them and not worth further attention because of the confiscatory act of the legislature.

Can Take Coal Also

The commission is to have power to take any water power, coal, peat, gas or oil and generate electricity for power, heat or light. Not only is the "white coal" in the shape of water power liable to be taken "without the consent of the owner thereof," but also the real black coal.

Whether the government will take the Halifax Power Co's rights is not known, but Mr. Armstrong indicated when the Halifax bill was introduced, that the powers given to the company were opposed to the policy of the government.

No Protest Heard

It is surprising that no protests are being made. The men who owned fishing rights protested vigorously when their exclusive right of fishing was taken. They are resigned now when their whole property is gone or going. The mill owners and lumbermen evidently say about protesting, "what's the use?"

In a few lines the government has taken from the owners property of immense value. The coal, peat, gas and oil owners are as quiet as the water power men. The difference probably is because the waters are taken without compensation and are taken now; the other properties are to be taken under the expropriation act introduced this year.

PERSONAL

RENE T. LECLERC, bond broker, of Montreal, left this week on a business trip overseas.

K. F. GILMOUR, who was manager of the Union Bank of Hamilton, has been appointed manager at Montreal to succeed J. B. Waddell. The latter is retiring from the bank to become associated with Sir Mortimer Davis.

T. A. RUSSELL, formally assumed his new office as president of the Willys-Overland Co. this week. Mr. Willys is chairman of the Board. The company hope to turn out 10,000 cars in Canada this year.

SIR CHARLES J. STEWART, K.B.E., who in his capacity of British Public Trustee has been described as "The Public Worry-Saver," is about to retire from official life, having been elected to a seat on the board of the Marconi International Marine Company. He held the office of Public Trustee for nearly twelve years.

JOHN T. ROSS, the new president of the Quebec Board of Trade, comes of a family that has been identified with shipping at the port of Quebec for over 75 years, and is a nephew of the late Senator James G. Ross. Mr. Ross is also a chairman of the Quebec High School Board and president of the Jeffery Hall Hospital. He is also a director of the Royal Bank.

MAJOR CHARLES GREENSHIELDS, who has been elected a director of the Marconi Wireless Telegraph Company of Canada, is also a director of the Quebec Savings & Trust Co. He is a son of J. N. Greenshields, K.C., and is a keen student of corporation law. Major Greenshields served in the Foreign Legion when war broke out, being in Paris at the time. He was wounded and coming over to Canada serving with distinction with one of the Montreal battalions. He left this week on a business trip to England.

CHAUNCEY M. DEPEW began his eighty-fifth birthday anniversary recently by going to his office in the Grand Central Station, New York. He is chairman of the New York Central Railway. To an interviewer, he said: "I think I owe my health and my figure to the fact that I keep on working. I never saw the benefit of doing nothing. I hear about the agitation for a six-hour day. In that case it would leave eighteen hours—for what? For my part I should be bored blue. One cannot read eighteen hours. One cannot play golf for eighteen hours. What is there to do? I find that the ordinary routine of life fills the day very delightfully."

JAMES W. LEONARD, whose death occurred at Brampton, was for many years a prominent official in the Canadian Pacific service. He entered the service of the Midland Railway Company at fourteen, and later became a telegraph operator. He served with the Credit Valley Railway Company, and during its construction was stationed at Streetsville. In 1877, he was appointed assistant manager of the Victoria Railway; from 1884 to 1890, he was superintendent of the C.P.R., and general superintendent of the Ontario-Quebec division, 1893-1901; of the Western division till 1903; assistant general manager of Eastern line until 1908, and general manager, 1908-11; since which time he was assistant to the vice-president.

HENRY SETON STRATHY, whose death occurred this week in Toronto, was for over fifty years a prominent figure in the banking and financial life of Canada, being closely associated with prominent financiers from 1850 until his retirement in 1907. Born in Edinburgh, Scotland, in 1832, he came to Canada in his youth and commenced his business career in the firm of Hope, Birrel & Company of London. Entering the Gore Bank, he served with it from 1850 until he became London manager of the Canadian Bank of Commerce in 1867. He became general manager of the Canadian Bank of Commerce, resigning in 1885 to form a partnership with his nephew, Gordon Strathy, out of which developed the Traders' Bank of Canada. He was its first general manager, and remained with it until his retirement.

MAJOR JOHN L. RETALLACK, who has been appointed by the Government of British Columbia to be public utilities commissioner for the province under the new public utilities act at a salary of $7,000 a year, is a returned soldier, having gone overseas as quartermaster of the 48th Battalion. Later he was transport officer in the railway corps. He is a mining engineer and a member of the Canadian Mining Institute. The new commissioner was born in Quebec on December 2, 1863, and was educated in England. He served for five years with the Royal North-West Mounted Police before coming to British Columbia in 1890. The appointment of Major Retallack came after several days of public clamor when the Government's first appointment of R. H. Gale, Mayor of Vancouver, met with such opposition from the returned soldiers' organization that Mr. Gale tendered his resignation. In doing so, Mayor Gale admitted that he had been active in opposition to the B.C. Electric Railway and that he would prefer to be in a position where he could argue against the company rather than sit in judgment upon it.

FARMERS AND THE TARIFF

Forest *Free Press*

The great and all-absorbing question before the Canadian public to-day is the tariff. The Union Government at Ottawa finds itself in the desperately bad position of being unable to meet the demands of the West for lower duties and at the same time hold the support of the high tariff profiteers of the East. The situation is so bad that even the breaking of Confederation is threatened. Legislation that will be entirely satisfactory to both of the opposing factions is impossible.

The Union Government is in no way responsible for this deplorable state of affairs. The blame rests mostly on the shoulders of the two old political parties. For forty years or more both parties, when in power, permitted the big interests in the East to frame all tariff legislation. Naturally the big interests legislated solely for their own benefit, with the result that the country finds itself to-day facing an unprecedented crisis. It will be task of the Government to bring the opposing factions together, and secure from each such compromise as will enable the manufacturing and agricultural industries to work together for the general benefit of the nation as a whole. In this work the Government should have the support of all classes, and failure should be the only reason for condemnation.

The "public-be-damned" attitude of the Canadian Manufacturers' Association has also been a big factor in bringing about the condition of affairs the country is facing to-day. The Toronto FINANCIAL POST of last week says:—

"The affairs of the C.M.A. have for years been in the hands of a picayune, pin-headed, self-satisfied Toronto clique, under which an offensive, high-handed attitude toward the public has prevailed."

May Government and Municipal Investments

SECURITY	YIELD
DOMINION OF CANADA *War Loans, all issues*	at market
PROV. OF BRITISH COLUMBIA 4½% *Bonds, due 1st July,* 1926	5.35%
PROV. OF ALBERTA 4% *Debenture Stock, due 1st Nov.,* 1922	5.50%
GOVT. OF NEWFOUNDLAND 6½% *Bonds, due 30th June,* 1928	5.50%
GRAND TRUNK PACIFIC *Guaranteed by the Dominion of Canada,* 4% *Bonds, due 1st January,* 1962	5.25%
CITY OF TORONTO 5½% *Bonds, due 1st July,* 1930	5.30%
CITY OF TORONTO 4½% *Bonds, due 1st September,* 1953	5.30%
CITY OF HAMILTON 5½% *Bonds, due 1st February,* 1920-31	5.30%
CITY OF HAMILTON 6% *Bonds, due 1st February,* 1920-25	5.30%
CITY OF ST. THOMAS 6% *Bonds, due 1st January,* 1927-29	5.40%
CITY OF NIAGARA FALLS 5% *Bonds, due 15th August,* 1921	5.50%
CITY OF PORT ARTHUR 4½% *Bonds, due 1st July,* 1940	5.63%
CITY OF VERDUN, QUE. 5½% *Bonds, due 1st May* 1927	5.50%
CITY OF QUEBEC, PROT. SCHOOLS 5% *Bonds, due June,* 1944	5.50%
CITY OF MONTREAL, R. C. SCHOOLS *(Issued by St. Henri)* 5½% *Bonds, due 1st May,* 1955	5.55%
CITY OF CALGARY 4½% *Bonds, due 1st April,* 1937	5.75%
CITY OF CALGARY 4½% *Bonds, due 1st July,* 1937	5.75%
CITY OF VICTORIA 4½% *Bonds, due 21st January,* 1938	5.70%
CITY OF EDMONTON 5% *Bonds due, 1st July,* 1934	5.80%
CITY OF REGINA 4½% *Bonds, due 1st June,* 1952	5.80%

In addition to the above government and city bonds we also have attractive odd amount bonds of towns and villages.

We invite inquiry and shall be glad to supply full particulars on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

PORT COQUITLAM BONDS

Inquirer, Shelburne, Ont.—"What is your opinion of city of Port Coquitlam bonds, maturing March 15, 1921, price 96.68 at 6 per cent. Would they be as good or better than Greater Winnipeg Water District bonds at the same price but 5 1-2 per cent. interest?"

In estimating the value of Port Coquitlam bonds, we would refer you to the last published report of the Inspector of Municipalities for British Columbia, that for the year ending December 31, 1917. In it you will find the following figures regarding the municipality: Population, 1,550; assessment (land only) $3,467,901; tax rate, 19.02 mills; debenture debt, $426,500; sinking fund arrears, $33,144; tax arrears, $172,223; receipts, $34,125; expenditures, $51,736; loss on waterworks, $10,381.

Greater Winnipeg Water District bonds are a direct charge on all the taxable land within the district which includes the city of Winnipeg and its more important suburbs, the assessed valuation being in excess of $207,500,000. The taxes levied by the district rank equally with all taxes raised for other municipal purposes, and are collected at the same time and in the same manner. They thus take rank pretty nearly on an equality with city of Winnipeg bonds, which are regarded as a high-class Canadian municipal security.

AMES HOLDEN PREFERRED

W. L., Montreal.—"I hold 20 shares of Ames-Holden-McCready preferred which I bought at 59½. Would you advise me to sell at this time?"

Ames-Holden preferred, which you bought at 59½, is now selling around 74 to 75, but we are informed on the best of authority that there will be a dividend started at the regular rate of 7% on this stock some time within the next few weeks, possibly before the annual meeting. The company is doing very well, and is extending its trade over Canada, and looks to have a reasonably bright future. There are about five years of deferred dividend on this stock. We believe it is not only the intention to start paying dividends late this spring, but to begin paying off on the deferred dividend some time next fall. There was a proposal some time ago to sell out Ames-Holden to the United States Rubber Co., but we believe this arrangement fell through, and that Lorne McGibbon, president, has associated with him T. H. Rieder, president of Canadian Consolidated Rubber Co., and that this combination will be a very valuable one of Ames-Holden. Whether there will be any further negotiations with the rubber company or not we do not know.

DOMINION POWER

A. P. T., Montreal.—What information can you give me regarding Dominion Power and Transmission? I have some shares but the price seems to have fallen since I bought it. Do you consider this a perfectly good proposition and do you consider it a case where the earnings and the dividends will increase?

The Dominion Power and Transmission Co., which controls hydro developments and electric transportation systems in Hamilton and the Niagara peninsula, is an efficient, well-organized company, with assets at the end of 1918 of $23,737,000. Like all other public utilities, however, Dominion Power has been affected by conditions which have prevailed since the outbreak of the war, which have increased operating expenses while there has been no proportionate increase in rates. Earnings for 1918, for example, at $2,404,000 were considerably higher than the previous year and much higher than before the war, but profits at $1,160,000 were less than in 1913.

The stock is not listed, and the market, therefore, somewhat uncertain. Late quotations are 42 offered and 47 asked. The matter of trading then, should be approached with care by the average investor.

Even with an organization strong both as to management and finances, such as Dominion Power, the investor must take into consideration the public attitude towards privately controlled utilities in the Province of Ontario. The recent victory of Sir Adam Beck in Hamilton in connection with the Hydro Radial policy gave him the necessary backing to go ahead with his radial scheme. Beck's policy throughout has been to develop his own companies, and if possible put the private companies out of business. It is not likely that he will change his policy at this time, and the legislative treatment which has been accorded the Toronto power interest should not be disregarded in considering the purchase of public utility securities. This is no doubt a factor in the present low market valuation for such securities, and there is more than a possibility that public opinion will eventually be convinced of the error of Beck's schemes, but in the meantime the private power corporations must be prepared to oppose strenuous tactics.

FRENCH RENTES

Inquirer, Kelowna, B.C.—"What is the approximate value of Republique Francaise rentes, 1917 issue, and what amount could be realized if sold in Canada?"

According to a wire received by a Toronto brokerage house this week from New York, the current price for 1917 rentes is about $117 per 1,000 francs. There would be added to this price, in the case of a Canadian seller, the current rate on New York funds, which would bring the price up to around $119.50.

MASHONALAND RAILWAY

Banker.—"Could you give me the approximate value of the securities of the Mashonaland Railway and the amount which could be realized if sold in Canada."

The securities on the Mashonaland Railway are listed on the London Stock Exchange. Late quotations are 86¼ to 86½ for the 5 per cent. guaranteed debentures, and 66¼ to 66½ for the 1st mortgage 5 per cent. debentures. If sold at the present time on the London exchange and the proceeds remitted to Canada, the person selling would realize from $4.80 to $4.81 per pound sterling. The latter rate, however, fluctuates considerably, as it is a combination of rates between London and New York, and New York and Canada, which are constantly changing.

STANDARD COAL

Bank Manager.—"A customer is holding 100 shares of stock of the par value of $1 each in the Standard Coal Company of Victoria, B.C. The stock was issued in 1913. Will you please inform me as to whether this company is still in existence and if so what is the probable worth of the stock at the present time."

We have not been able to find any trace of the existence of the Standard Coal Co., of Victoria, B.C. It is not listed in the Canadian Mining Annual or the A.B.C. Guide to Mines of British Columbia, which has just been published in Vancouver. Search in Bradstreets also fails to find it listed as a local company in Vancouver.

BRAZILIAN TRACTION

Reader, Toronto.—Please advise me as to Brazilian as a speculative investment.

Although slightly off from its best point since the signing of the armistice, the end of the war has, as generally expected, had a favorable effect upon the market for Brazilian traction. The earnings of the company are continuing on a very satisfactory basis and would justify a dividend distribution were it not for the unfortunate factor of exchange. In this connection the trade figures of Brazil for last year are rather disappointing as indicating that the adverse balance was increased rather than improved. However, as the signing of the armistice came in the latter month, it is difficult to judge of this effect. Under the circumstances it would seem that an improvement in the country's trade situation is largely a matter of better shipping facilities and development of resources in which direction the outlook should be favorable in view of the demand for food stuffs and raw materials in Europe.

ROBERTSON MANUFACTURING

Inquirer.—Can you give me any information as to when the annual meeting of the P. L. Robertson Manufacturing Company of Milton will be held. I am a holder of preference shares which I have had since the formation of the company and have never received any dividends. Is there any way in which I could draw out the principal and dividend arrears?

We understand that the president of the company, who has been absent for some time, is expected to return very shortly, following which the annual meeting will be held and the report submitted to shareholders. This meeting may quite possibly take place within a month.

In the meantime it is not possible for us to obtain any definite information as to the company's recent operations, but we are told that substantial progress has been made. Profits will show that the dividend on the preferred stock has been earned, but this does not represent a large amount in proportion to the total capitalization.

In view of the fact that there was a surplus at the end of last year of oved $50,000, and that the preferred stock issue is comparatively small, we doubt whether you would be justified in drawing out. Much would depend, of course, on what price you could obtain for the stock, and in this connection we have not been able to find out anything of a very definite character. No transfers have taken place on the company's record for a couple of years and if there have been any private sales there is no record of them

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CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

THEY FOUNDED NO DYNASTIES

Philadelphia *Public Ledger*

The volume of appreciation of what Mr. Woolworth meant to his country is rising steadily. There is no dissenting note in the discussion of his contributions to commerce and business and his special demonstration of what American initiative still means in a country where opportunity is free to all. But it has not yet been pointed out that one of the most significant things about Mr. Woolworth is that with all his millions he has founded no dynasty nor set up a castle that gains privilege in proportion to the money possessed.

Foreign critics before the war were very apt, in order to excuse their adoration of kings and the king business, to point out that we were more decidedly ruled by our captains of industry, leaders of finance and our merchant princes than they were by those who claimed the divine right to rule and to pass on the succession even to an imbecilic line of descendants. But this was largely unintelligently said as a mere repetition of things they wanted to believe about America and was due to their unfamiliarity with the actual facts. For the Woolworth case is typical. No community was ruled by Mr. Woolworth, save in so far as he gave service and proved to be a kind of benefactor, as a universal distributor of things needful.

As Walton Clark said in Williamsport this week, American character is what it is because of its individualism, which is given its freest opportunity under our form of government. And the career of Mr. Woolworth gives point to Mr. Clark's remarks that it is "our duty to conserve the human agencies that have made our country what it is . . . . but not to let them be our masters. This is the confession of faith of the anti-municipalized—the anti-Socialist." We need not fear the growth of great trade geniuses if we but allow them their outlet, but within the law and within proper trade procedures. But even as it is, how little menace lies in their superabounding individuality is shown in the story of Mr. Woolworth and his rise to fortune and the control of a business that reached from coast to coast.

F. S. CAHILL, M.P., HIS CRUSADE

Toronto Telegram

A. McKenzie in the Northern Construction Company, Mackenzie & Mann, formerly of the Canadian Northern, with D. B. Hanna and E. R. Wood, of the Canadian Northern directorate, are denounced as enemies to progress and plotters against public ownership.

The denunciation comes from F. S. Cahill, M.P.

Where does F. S. Cahill, M.P., come from?

From the Province of Quebec, via the Laurier Opposition.

There never was a McKenzie, or a Mackenzie born, a D. B. Hanna, or an E. R. Wood who was more of a deadly enemy to public ownership than the so-called Liberals in the Province of Quebec and the whole Laurier Opposition, F. S. Cahill included.

A Quebec Liberal and follower of Laurierism is a spectacular example of Satan rebuking sin when such a devotee of private ownership bigotry deplores the anti-public ownership tendencies of the Northern Construction Company, Mackenzie & Mann, or the C.N.R. management and directorate.

GOLDEN RULE OR H——L

Forbes' Magazine

The Golden Rule or h——l. Doesn't that appear to be what we are headed for? It looks as if there would have to be understanding, consideration and fair treatment all around, or else a grand smashup. We have witnessed domination by the so-called upper classes. Are we now in danger of domination by the so-called lower classes? Are we to pass from one form of autocracy to another? Russia experienced one extreme type of tyranny; now it is suffering from another type equally extreme. Germany is fighting to save itself from autocracy from below; considering the history, the temperament and the common-sense of the German people, the chances are that moderation will prevail. England has been undergoing a transformation far deeper, far more important, far more significant than has generally been recognized. At this moment the workers are virtually dictating to the Government. They have laid down, not what they desire, but what they will take by force, if not granted them peaceably. Labor is on top.

Throughout the civilized world to-day the "haves" are, broadly speaking, eager and anxious to meet the "have nots" even more than half-way. Their newly found power, however, has intoxicated many labor leaders, to say nothing of revolutionaries, and the great army of workers may be misled into taking headlong destructive action. If, however, prudence prevails among the working classes an amicable adjustment of the world's troubles ought to be evolved. But this can only come about if the Golden Rule be adopted as an every-day working principle between all classes and between nations. Cut-throatism has been found tragically wanting. Selfishness henceforth calls for enlightened unselfishness, for we have learned at infinite cost that sooner or later wrongs are righted.

Yes, my brothers, we must make up our minds to toe the line and practice the Golden Rule in our daily activities or face more spasms of hell on earth.—

HENRY FORD THE PRIZE PROFITEER

Commercial West

The Supreme Court of Michigan has recently handed down a decision of the famous case of the Dodge Brothers against the Ford Company of Detroit. This action was started some three years ago to compel Henry Ford to disburse most of the $100,000,000 surplus then held by the Ford Company, and to restrain Mr. Ford from embarking in various extravagant enterprises, such as buying iron mines, fleets of lake boats, and building various large subsidiary factories. The Supreme Court substantiates the lower court in most of the claims and signs a decree for the plaintiff on the main contentions.

The interesting part of the report of this court decision is contained in the statements of the capitalization and the profits of the Ford Company. The Ford Motor Company originally had a capital stock of $150,000. This was increased to $2,000,000 in 1908 and remained at that figure until 1917, when it was increased to $50,000,000. With a capital of only $2,000,000 the Ford Company up to July, 1916, had sold 1,272,000 cars at an aggregate profit of over $173,000,000. At the time this Dodge Brothers suit was started the company had a surplus of $112,000,000, with cash on hand and in banks of $52,000,000. The company had for years paid dividends at the rate of five per cent. a month and various other extra dividends.

According to this statement, the aggregate profits of Henry Ford up to 1916 were $173,000,000, which was an average profit on a car of about $130 and about 500 per cent. per annum on the capital stock of the company. Such scandalous profits will explain why Mr. Ford's new weekly publication carries a leading article, picturing capitalists as a class as rank profiteers and oppressors of the people. Evidently Mr. Ford thinks that all business makes as extravagant profits as his motor company, hence his grotesque cartoons on the bloated capitalists.

The American public which has purchased the Ford cars and supplied these enormous profits, which seems to have turned the head of Mr. Ford, will not be satisfied with either his slam at the capitalists or his little $2 a day raise on his minimum wage scale. What they will demand of Mr. Ford is an explanation as to why he did not put more money in his car and make a better product, or reduce the price and keep profits within reason.

Why don't W. B. Colver's Federal Trade Commission investigate the Ford Company, instead of spending most all of its time on the Chicago packers, with their little two per cent. profit on an annual turnover of their vast volume of business running into several billions a year? Has Henry Ford been granted a special dispensation by the Administration at Washington, which makes him immune from interference by the Federal Bureaus?

WHEN THE SOVIET RUNS THE BANK

American Banker

After Count Karolyi scuttled the Hungarian ship of state and the derelict fell into the hands of the Bolshevists, it was reported that Soviet clerks were running the banks at Budapest and that the bank officials were walking about with their hands in their pockets. Bad as this may seem to us, it was doubtless only a mild symptom of Bolshevism. Needless to despair, for the worst is yet to come. Read the following program of the Soviet organizations in Germany and you will get some idea what their radical program means: 1. Standard wages. 2. Annulment of war loans and state debts. 3. Confiscation of banks and all industries. 4. Annulment of all parliaments, municipal and national. 5. Entire business of the Government to be taken over by soldiers' and workmens' councils. 6. Confiscation of all private fortunes. 7. Revolutionary tribunal for the trial of the Kaiser, Crown Prince, Hindenburg, Ludendorff, Von Tirpitz, Ebert, Scheidemann and Noske, the last three as traitors to the revolution. 8. The election of a Soviet Government of the factories. 9. Release of all political prisoners.

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NEWS OF THE BOND MARKET

PRICES ARE FIRM BUT MARKET IS STILL INACTIVE

Scarcity of Ontario Municipals Leads to Stiff Bidding

TWO LARGE ISSUES

Both New Brunswick and Newfoundland Will be Floating Issues in the Near Future

Judged by the strength of the bidding for new issues, the bond market would appear to be in a decidedly firm position. On the other hand, there are factors indicating a certain amount of weakness, in sentiment if not in actuality. The softening in the price of Victory bonds on the stock markets, for instance, has been raising a certain amount of questioning, while bond houses are reporting rather slack business. The two conditions might seem incompatible were it not that the supply of bonds is so short. Of high-grade Ontario municipal issues there is an undoubted scarcity and, as there is always a certain demand for these, it follows that dealers are showing keenness to secure such issues as are offering.

Individual Buying

Dealers are noting rather more than the usual volume of investment inquiry from individual investors, and a somewhat greater diffusion of interest in bonds among the public. Their condition is being helped by this week's distribution of Victory bond interest, a good bit of which should find its way back into new bond investments. It is a satisfactory state of affairs for the wider the distribution of bonds the more solid becomes the market position of bonds in general. The individual is not as likely to unload as the corporation which has bought for some temporary need.

In the meantime the institutional investor is not as much in evidence as he used to be. There is no doubt that institutes made a killing when bonds were low-priced and their vaults are now well filled with high-yielding securities. They may perhaps be pardoned for turning a deaf ear to the solicitation of the salesman who has little better in the way of yield to offer than a 5½ per cent. bond and for seeking outlets in mortgages for surplus funds. It is a little hard on the bond dealer but if the latter can effect distribution in a broader field, so much the better for the business in general.

Issues are Scarce

It is rather surprising that municipalities have not been taking more advantage of the strength of the bond market to float issues, but true it is that these have literally been dribbling along since the first of the year. The intervals between issues have been such as to allow of very fair absorption and the market has never been over-supplied. Constant rumors are heard to the effect that more bonds are coming but there are few indications that the number will be large. So far at least as Ontario is concerned, there is not much in sight, whatever may develop later on in the season.

As stated last week in this column an issue of Newfoundland bonds is in the offing and an official announcement may be expected at any moment. It will be handled by a syndicate of houses and will be offered both in the United States and Canada. $6,000,000 is spoken of as the amount of the issue.

Another Province has come into the field for money this month. Announcement is made that on May 14 offers will be considered for an issue of $1,000,000, 3-year, 5½ per cent. gold bonds by the Province of New Brunswick. It is some time since New Brunswick made a public sale of its securities and the result of the present offering will be watched with considerable interest.

The Lincoln Sale

Foremost among the transactions of the week has been a sale by the county of Lincoln of $200,000, 5½ per cent., 20-year straight good roads debentures. Such an attractive issue naturally brought out many offers and nineteen bond houses figured in the bidding. The award was made to the Dominion Securities Corporation, whose tender of 102.774 meant a cost basis to the county of 5.27 per cent. There was a considerable spread between the first and second tender but after that bids were closely bunched. Following is the list:

Dominion Securities Corporation	102.774
A. E. Ames & Co.	101.873
Wood, Gundy & Co.	101.810
R. C. Matthews & Co.	101.700
Canada Bond Corporation	101.650
G. A. Stimson & Co.	101.550
Aemilius Jarvis & Co.	101.538
Sterling Bank	101.500
Ralph M. Bird & Co.	101.220
Housser, Wood & Co.	101.190
MacNeill, Graham & Co.	101.030
Brent, Noxon & Co.	100.656
W. A. Mackenzie & Co.	100.525
W. L. McKinnon & Co.	100.510
C. H. Burgess & Co.	100.430
Bankers Bond Co.	100.318
Morrow & Jellatt	100.300
United Financial Corp.	100.250
J. F. Stewart & Co.	100.217

Sarnia Got Fine Price

Five blocks of city of Sarnia debentures aggregating $111,992.80 and including both 6 and 6½ per cent. bonds of varying maturities were sold last Friday by public tender to W. L. McKinnon & Co., at 104.26, a cost basis of about 5½ per cent. No official list of tenders has yet been received but the following are some of the bids submitted by Toronto bond houses:

W. L. McKinnon & Co.	104.26
John Stark & Co.	104.19
A. E. Ames & Co.	103.69
G. A. Stimson & Co.	103.41
Brent, Noxon & Co.	103.45
Canada Bond Corporation	103.55
W. A. Mackenzie & Co.	103.33
C. H. Burgess & Co.	103.21
Aemilius Jarvis & Co.	103.05
Ralph M. Bird & Co.	102.98
C. R. Clapp & Co.	102.86
Housser, Wood & Co.	102.77
Wood, Gundy & Co.	102.66
R. C. Matthews & Co.	102.50

The town of Kenora's issue of $17,000, 6 per cent., 20-year local improvement bonds was awarded on Monday to Aemilius Jarvis & Co. at 100.52.

H. J. Birkett & Co. have awarded an issue of $2,000, 7 per cent., 10-instalment bonds of Cotter, S. D., Alberta and $3,000, 7 per cent., 20-instalment bonds of Marquette, S. D., Man. The same house reports transactions this week in $700,000 Anglo-French bonds.

ORGANIZE FOREIGN BOND CORPORATION

Bond Houses in the United States Combine to Form Foreign Bond and Share Corporation

In view of the necessity of floating the securities of European and other countries in the United States and Canada in order to finance purchases by these countries of American and Canadian goods, it is not surprising that a corporation should be formed with this end in view. Announcement has now been made that the Foreign Bond and Share Corporation has been formed under the laws of Deleware to finance public and private enterprises in Central and South America, the Far East, Europe and other parts of the world. It will also sell to American investors either the debentures of the corporation, which will be covered by the deposit of the securities of these foreign companies, or the foreign securities themselves.

The corporation has an authorized capital stock consisting of 100,000 shares of common stock, of the par value of $100 each, and 3,000 shares, with no par value, known as "participating certificates," and a subscribed capital and surplus of $3,000,000.

Organizers of this corporation include private banking firms and financial institutions throughout the United States, as follows: Brown Brothers & Co.; J. & W. Seligman & Co.; Guaranty Trust Co.; Chase Securities Corporation; Central Union Trust Co.; Columbia Trust Co.; Hayden, Stone & Co., all of New York. First National Corporation of Boston; Hibernia Bank and Trust Co., New Orleans; First Trust & Savings Co., Cleveland; Anglo & London-Paris National Bank, San Francisco; Mercantile Trust Co., Mississippi Valley Trust Co., and interests associated with National Bank of Commerce, all of St. Louis; and the Central Trust Co., of Chicago.

Directors of the corporation are: John Henry Hammond, Thatcher M. Brown, Frederick Strauss, William P. Philips, Albert Breton, Harold Stanley, E. R. Thayer, R. I. Barr, James N. Wallace, Howard Bayne, Charles Hayden, John Sherwin, R. S. Hecht, Herbert Fleishsacker, Adolfo Stahl, J. Hugh Powers, Breckinridge Jones, J. G. Lonsdale, Joseph E. Otis, Ernest Gregory and Maurice Hely Hutchinson.

CHARGED ONE DOLLAR

Royal Securities Corporation Not in The Victory Loan List

The absence of the name of the Royal Securities Corporation from the list of firms receiving remuneration in connection with the 1918 Victory Loan flotation has caused some comment. It would appear that the situation arises largely out of the attitude of the Corporation in opposing the tax exemption privilege which was attached to the 1918 Loan. When it was decided to issue the bonds with the tax exemption feature, the Corporation loaned its entire organization during the period of the loan, but refused to accept any remuneration, as was the case in 1917, but contented itself with submitting a bill to the Government for $1.

SKYSCRAPER AS SECURITY FOR $450,000 BONDS

New Issue Will Be Made on Montreal Office Building

RENTS FOR $57,000

Expect to Reach $72,000 a Year—Building on Corner Where Most People Pass—Eight Years to Run

A ten-storey office building in Montreal, the "Dandurand," is the rather unusual security that is pledged for an issue of $450,000, 8-year, 6 per cent. first mortgage closed secured refunding gold bonds, that will shortly be offered for sale by Credit Canada, Limited. There is on this building at the time a mortgage for $360,000 held by the Mutual Life and Citizens' Company, which will be met by the proceeds of the sale of bonds, as well as some amounts still owing in connection with the construction.

Interesting Sidelights

The particulars to be made public with the issue give some interesting insights into sky-scrapers. The building, which is valued at $775,000, is located on the south-west corner of St. Catherine East and St. Denis street, is said to furnish the greatest "circulation" of people for the 24 hours of any corner in Montreal. This building was erected with the idea of bringing in $72,000 rental a year, but war times cut these down. For the present year, several new tenants have come in, including a prominent watch and two insurance companies, while a bank has a 5-year lease of one corner, and another 5-year option at an increase of $1,000 a year. The present income amounts to $57,000 a year and it is hoped to bring this up to $72,000.

Interest Well Covered

Out of the rental there are operating expenses, taxes, insurance, etc., of $15,285 a year, leaving a balance of $41,715 to meet the bond interest of $27,000. The balance will be handed over to the Montreal Trust Company as a sinking fund to redeem the bonds. In the event of sale of the building the bonds are redeemable at 105 on 30 days' notice. The issue is unconditionally guaranteed by the owner of the building, W. H. Dandurand. The bonds will be sold at 100 and accrued interest. They are dated May 1, 1919, and mature May 1, 1927.

VICTORY LOAN COMMISSIONS

Amounts Paid to Brokers and Bond Dealers in Montreal

A return made in the House of Commons last week showed that the stock brokers of Montreal were paid a total of $70,144 and the bond dealers a total of $134,149 in connection with the flotation of the Victory Loan of 1918.

The following amounts were paid to the stock brokers:

Burnet, Porteous & Co., $2,477; Bruneau, Dupuis & Co., $50; Burnett & Co., $2,000; S. Carsley & Co., $200; H. M. Connolly & Co., $500; Craig & Luther, $1,173; Thornton, Davidson & Co., $300; Elkers, Cushing & Co., $500; Fenwick & Co., $2,730; Fortier, Beauvais & Co., $1,200; Greenshields & Co., Montreal and Ottawa, $4,700; G. W. Hamilton & Co., $450; Hansons & Ferguson, $620; Herdman & Co., $1.380; C. J. Hodgson & Co., $3,100; Grant, Johnson & Co., $948; C. H. Lewis, $500; J. L. Marler & Co., $500; McDougall & Cowans, Montreal, Winnipeg, Halifax and St. John, $18,655; C. Meredith & Co., $1,750; Montreal Securities Corporation, $1,000; R. Moat & Co., $750; Molson & Robin, $750; F. Nash & Co., $750; O'Brien & Williams, $4,345; Oswald Bros., $4,565; A. Patterson & Co., $1,750; Pitblado & Co., $3,280; A. E. Rex & Co., $600; A. F. Riddell & Co., $300; H. S. Scott & Co., $600; Gordon Strathy & Co., $600; Smith, Fairbanks & Co., $2,500; Tousaw, Hart & Anderson, $1,000; W. J. Turpin & Co., $1,405; A. A. Wilson & Co., $683; F. B. McCurdy & Co., Montreal and Sherbrooke, $1,500.

The amounts paid to bond dealers was as follows:—

Aldred & Co., $500; Beausoleil, Ltd., $1,464; Belleau, Neuville & Co., $1,610; Graham Brown & Co., $4,047; Canadian Bond Co., $1,313; Canadian Investment Co., $975; Credit Canadien. Inc., $3,750; Credit Canada, Ltd., $5,378; Farrell, Mather & Co., $4,273; Hanson Brothers, $15,290; Harris, Forbes & Co., $11,768; Oliver E. Hurd, $1,200; Imperial Securities, $536; Keating & McRae, Three Rivers, $1,269; Le Placement Nationale, $1.520; R. T. Leclerc, $9,409; J. A. Mackay & Co., $647; Mackenzie & Kingman, $7,190; Manning & Co., Ltd., $1,550; McCuaig Bros. & Co., $3,000; Chas. Meredith & Co., Ltd., Montreal, and Toronto, $14,263; Municipal Bond Corporation, Montreal and Quebec, $3,235; National Bond Co., $1,353; Nesbitt, Thompson & Co., Montreal and Hamilton, $10,645; Provincial Securities, Quebec, $2,839; A. G. Ross & Co., $600; T. T. Ross, $450; Meredith, Rountree, $500; St. Cyr, Gouthier & Frigon, $10,525; Quebec Bond Co., $3,529; Versailles, Vidricaire & Boulais, Montreal and Quebec, $4,100; H. R. Wood, $2,868; J. P. L. Stewart, $1,000, and Eugene Panneton, $1,500.

PROVINCE OF SASKATCHEWAN
5% BONDS
R. C. Matthews & Co.
C. P. R. Building
Toronto
OUR CIRCULAR WILL INTEREST YOU

Province of Alberta
5% Bonds
Due MAY 1st, 1925
PRICE TO YIELD
5.40%
TURNER SPRAGGE & Co
103 BAY STREET TORONTO
TELEPHONE MAIN 4327

McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

W. L. McKinnon Dean H. Pettes
GOVERNMENT and MUNICIPAL DEBENTURES
W. L. McKinnon & Co.
McKinnon Building
TORONTO

$1,473 Net Profit
MADE ON $200
through this office in 25 days' time with PUTS & CALLS. Similar opportunities looked for in them in the coming 30 and 60 days. If you are interested and wish to take advantage of these opportunities write now for BOOKLET FP. It gives you all information.
WM. H. HERBST
20 Broad St. New York City
Dealer in Puts and Calls since 1898

WORLD'S COAL OUTPUT

Great Britain and United States Are Dominant Factors

New York.—The serious complaints of coal shortage in Great Britain, coupled with the proposition just presented in Parliament for an investigation by a commission to be created by the King, lends interest to figures compiled by the National City Bank of New York regarding world's coal production in the last half century and relative share of Great Britain and the United States therein. The figures show that the coal output of Great Britain grew from 124,000,000 short tons in 1870 to approximately to 255,000,000 in 1918, while the output of the mines of the United States grew from 33,000,000 tons in 1870 to 605,000,000 tons in 1918. The British output in 1918 was double that of 1870. The United States output in 1918 was 23 times as much as in 1870. In all parts of the world aside from Great Britain and the United States, the output grew from 80,000,000 in 1870 to 500,000,000 tons in 1918, or about 6 times as much 1918 as in 1870.

MONTREAL TRAMWAYS AND POWER COMPANY,
LIMITED
6½% BONDS
Due March 1st, 1924
Price: 101 and interest
To yield 6.25%.
RENE-T. LECLERC
Investment Banker
160 St. James St., Montreal
Established 1901

Invest Funds
from Victory
Loan Coupons
Due May 1st
IN
Government and
Municipal Bonds
Information
on request.
CANADA BOND
CORPORATION
LIMITED
TORONTO

Conservative Investments

	To Yield
Ont. Hydro-Electric Comm. Bonds	5.20%
City of Toronto Bonds	5.30%
Prov. Saskatchewan Bonds	5.35%
Prov. of Alberta Bonds	5.40%

Further particulars upon request.
Housser, Wood & Co.
Union Bank Bldg. Toronto

TOWN OF
OWEN SOUND
6%
Maturing June, 1924
INTEREST SEMI-ANNUAL
Price to Yield
5.50%
J. F. STEWART & Co.
106 Bay Street TORONTO
Telephone Adelaide 2991.

BEAUSOLEIL
LIMITED
Canadian
Investment
Securities
112 St. James Street
MONTREAL

W. F. Morgan-Dean Geo. R. Harris
WE OFFER
Whalen Pulp & Paper
First Mortgage Bonds,
due 1st May, 1920, to yield
6¾%.
Morgan-Dean, Harris & Co.
Investment Bankers
Bank of Hamilton Bldg., Hamilton, Ont.

FIELD OF MUNICIPAL FINANCE

WINNIPEG WATER DISTRICT'S COST NEARS $15,000,000

Financial Statement for 1918 Contains Some Interesting Figures

THE BONDED DEBT

Including Original Issue of Inscribed Stock and Subsequent Issues of 5-Year Debentures, Total Now $13,182,012

During 1918 liabilities of the Greater Winnipeg Water District were increased from $10,625,943, as at December 31, 1917, to $14,822,444 as at December 31, 1918. The increase lies principally in the additional bond issues made during the course of the year. Of these there were sold $2,398,900 five-year 5 per cent. debentures, bringing the total issue of these up to $9,898,900 and $2,000-000 five-year 6 per cent. debentures. Against these five-year debentures, the District has hypothecated as collateral security with the Bank of Montreal, inscribed stock to the par value of £2,510,320 12s under By-law No. 9, and £513,699 13 4 under By-law No. 49. Including the $1,283,112 of inscribed stock previously issued, the total debenture debt of the District now amounts to $13,182,012.

Account With Bank

The Bank of Montreal has claims against the District of $669,090, of which $56,274 are classed as bills payable and $612,816 as overdraft. This shows a reduction from a year ago when bills payable totaled $840,000 and the overdraft $202,995, a total of $1,042,995.

There is an increase in the amount reserved for contractor's holdbacks and damages, which stands at $754,697, as against $663,618 at the close of 1917. Accounts payable at $54,654 show an increase of about $20,000, while sundry creditors are up from $709,160 to $821,839.

Cost of Undertaking

The liabilities exactly balance the expenditures which, since the inception of the undertaking, amount to $14,822,444. Aqueduct construction proper is figured at $9,168,772, representing a further expenditure of $2,000,000 during the yar. The reinforced concrete pressure pipe line is valued at $1,639,452, as against $791,206 a year ago. The constructional railway, the third large item, represents an investment of $1,611,146.

In reporting on the financial statements of the District, Ronald, Griggs & Co., chartered accountants, refer to the levy made for interest and sinking fund of $607,500 and $156,677 respectifully. Subsequent to December 31, 1918, payments on account of these levies were made by the cities and other municipalities comprising the District.

The Municipal Levy

"The levy was made," state the accountants, "prior to the completion of construction and commencement of operation, and it appears to us that, in so far as the portion which consists of interest is concerned, it operates as a deduction from total construction costs or, in other words some part of this cost of construction has been provided out of the District's revenue. After consultation with the chairman of the commissioners, we decided to have the necessary adjustments made in the accounts when the final construction satement is prepared and this cannot be done until the final estimates are issued, any contractors' claims settled and the construction cost accounts closed.

HOUSING FOR WINNIPEG

Proposals of Board of Trade Meet With Some Favor

At a conference last week between the Civic Housing Committee of the Winnipeg City Council and the Board of Trade Housing Committee, a resolution submitted by the latter committee was virtually accepted, though some changes may be introduced before it is submitted to council. The recommendations were as follows:—

"(a) That a Citizens' Homes association be formed for the purpose of assisting the work of general reconstruction by erecting small dwellings or by making loans to individuals who desire to erect dwelling for themselves; (b) that the capital stock of the association be fixed tentatively at $500,000, to be raised by popular subscription; (c) that additional funds be obtained by taking advantage of the grant made by the Dominion Government for housing purposes; (d) that if further sums be required they should be raised by the issue of bonds under an arrangement between the association and the city council; (e) that the work of organizing the association be entrusted to a citizens' committee to be appointed by the mayor, the appointments to be confirmed by the city council; (f) that the details of policy be settled by the citizens' committee, with the understanding that all the houses erected by the association are to be offered for sale at cost and that the returned soldiers are to be given preference in the purchase of them."

THE VICTORY LIBERTY LOAN

Bond Men are Predicting the Notes Will Go To a Premium

Commenting on the results of the first week of the Victory Liberty Loan drive in the United States, the "Bond Buyer" says:

"The Victory notes are going splendidly, judging by reports from all districts. The East is making a good showing but the West is doing even better.

"There is absent from the present campaign some the hysterical patriotic enthusiasm that characterized the earlier borrowing operations, but this stimulant to the buying of bonds is offset by the superior terms of the Victory notes. Whether the buyer be rich or poor, a Victory note is an attractive investment and it is in all sincerity that bankers are urging their purchase as a "business proposition."

"As indicative of the optimistic view the financial district is taking with respect to the success of the issue, bond men are going so far as to predict that the Victory notes will soon sell at a premium. This hardly seems likely, unless there is a very heavy over-subscription. In that event, it is conceivable that subscriptions for the 3¾% tax-free bonds could be cut down to the point where disappointed subscribers would bid up the price of the notes in the open market. Such a situation would help the market for the 4¾'s as much as the market for the 3¾'s as 4¾'s could be purchased and immediately converted into the lower rate exempt notes."

TOTAL COMMISSIONS

About Three-quarters of a Mililon paid to Bond Dealers

Further details of the remuneration paid to stock brokers and bond dealers for services in connection with the flotation of the Victory Loan of 1918 were given in the Commons this week. The total of such remuneration was given as $709,460. It was divided among brokers in the several provinces as follows: Ontario, $390,365; Quebec, $204,264; Alberta, $8,400; British Columbia, $5,400; Manitoba, $40,937; New Brunswick, $15,575; Nova Scotia, $41,979; Saskatchewan, $2,500. In all cases, it was stated, payments were determined by an audit conducted by Thomas Bradshaw, Finance Commissioner of Toronto, and R. J. Dilworth, of Toronto, and J. W. Ross, of Montreal, on the basis of operating expenses of individuals and of firms, and the extent to which they had been actually engaged in work of the loan. Some 14,000 canvassers are estimated to have been engaged in the eleven districts, into which the country was divided, for the purpose of floating the loan.

TOWNS WILL BORROW

Various Municipalities Introduce Borrowing Bills in N. S.

HALIFAX.—Borrowing bills before the Nova Scotia Legislature include one from the town of Shelburne for the erection of dams on the Roseway river and lakes for storage purposes in connection with the power plant for the town of Shelburne in order to have an efficient water supply for the power and light service.

Windsor is borrowing $15,000 to purchase fire equipment.

The town of Stellarton is borrowing $50,000 for street construction and $8,000 for school purposes.

Kentville is borrowing $50,000 to construct paved streets within the town.

The municipality of Halifax county has an act before the legislature for the borrowing of $28,000 to repay temporary loans for repairs to the court house and jail.

New Glasgow seeks to borrow $55,000 for the construction of permanent pavements on the streets.

The city of Sydney, C.B., has an act before the Legislature to enable it to borrow $60,000 for street purposes.

These sums will all be obtained in the form of debentures generally at a six per cent. rate.

A bill is also before the House to borrow $500,000 for roads in Nova Scotia and $150,000 for the purchase of road machinery. Both are Government measures.

CONSOLIDATING ARREARS

City of North Vancouver Adopts the Plan of Spreading Payments

The city of North Vancouver has passed a by-law under which citizens may take advantage of the arrears consolidation act recently passed by the British Columbia Legislature. This enables delinquents to spread the payment of arrears over a period of ten years. The council has also passed a percentage addition by-law which provides for a 10 per cent. addition if current taxes are not met by September 2 and a further 5 per cent. if they are not paid by November 8.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

May 6, Thorold:— $40,000 6 per cent., 10-instalment debentures of the town of Thorold. — D. J. C. Munro, Treasurer, Thorold, Ont.

May 14, New Brunswick:—$1,000,000 in 3-year 5½ per cent. gold bonds of the Province of New Brunswick.—W. A. Loudoun, Comptroller-General, Fredericton, N.B. (See detailed announcement, page ..).

May 15, Beamsville: — $6,000 6 per cent., 10-instalment bonds of the town of Beamsville.

May 7, Walkerville: — $45,000, 6 per cent. debentures of the town of Walkerville.

May 19, Moose Jaw:—$210,000 electric light and power extension bonds. Alternative bids invited for 5½ per cent. 20-year instalment or sinking fund debentures. — Geo. D. Mackie, City Commissioner. (See announcement, page).

By-laws Passed or Defeated

Scarboro Township:—$40,000 debentures for S.S. No. 13, Courcelette Road, passed by council, April 14.

Dunnville:—$2,407, to pay for construction of a road on Niagara and East Broad Streets, passed by council, April 14.

Matheson:—$31,000, for sewerage system, passed by council, March 28, registered April 3.

Lincoln County:—$200,000 for good roads, passed by council, April 4, registered April 8.

Weyburn, Sask.:—$10,000 to reimburse current account for capital expenditures, passed by council, April 8.

York Township:—$10,000 for completion of school house in school section No. 28, passed by council, April 22, registered April 25.

Medicine Hat:—$50,000 for loan to the hospital board, passed by ratepayers, April 24, by 128 to 18.

BY-LAWS TO BE VOTED ON.

May 10, Port Arthur:—$7.750 in ten-year 6 per cent. debentures to provide for erection of a fire hall.

May 14, Brockville:—$22,000 to provide money for the purchase and improvement of a manufacturing site, bonds to be 5½ per cent., 10-year sinking fund.

May 6, Erickson, S.D., Man:—$3,000 in 7 per cent., 12-year debentures for enlarging and finishing new school.

May 10, Oshawa:—$25,000 in 5½ per cent., 20-instalment debentures for the purchase of a site for a town hall.

May 19, Binbrook Township:—$14,000 in 5¾ per cent., 10-instalment debentures for erection of a soldiers' memorial hall.

May 27, St. Thomas:—$45,000 for expenditures on St. Thomas street railway; $8,000 for new pavilion at Pinafore Park.

May 26, Trenton:—$30.000 in 5½ per cent., 20-instalment debentures for cement sidewalks.

DEBENTURE NOTES

Quebec:—At a meeting of the civic finance committe on April 14, the Mayor reported that the manager of the St. Roch's branch of the Bank of Montreal, adviser to the city on financial affairs, had advised against floating the $279,000 loan, authorized by the Provincial Legislature, at the present time on account of the condition of the money market. He thought, as money was getting easier, that it would be better to wait until 1920. The city was reminded that the loan of $2,125,000 floated during the Drouin regime, would come due on April 1st, 1920, and the Bank of Montreal advised that the city should negotiate for its renewal as early as possible and to renew it in New York in order to save the rate of exchange. The city was further counselled to take advantage of the renewal of the old loan and to combine the new issue with it in order to save expenses in advertising, etc.

Grimbsy: — Considerable correspondence with regard to the coming issue of village debentures was brought before the council at its meeting in April 14, but in view of the fact that definite permission for the issue of them has not been received, this correspondence was not read but was laid over for consideration at a meeting, in the future, when the necessary permission to issue has been granted. The issue involved amounts to $15,000.

BOND SALES

$9,500 Asbestos at 77⅞ to 77⅝; Canada Bread at 94½; $7,000 Abitibi debs. at 100; $3,200 Can. Cement at 100; $1,000 Can. Locomotive at 94½; $2,000 Cons. Rubber at 95; $1,000 Can. Cottons at 85; $1,000 Cedar Rapids at 89; $1,000 Dom. Cotton at 98½; $4,000 Dom. Coal at 94; $5,000 Dom. Textile "C" at 99¼; $1,000 Elect. Development at 95; $2,000 Montreal Trams at 88; $8,600 Montreal Trams, debs., at 74½; $2,000 Montreal (1923), at 102 to 101; $2,000 Montreal (1922) at 101¼; $3,000 N.S. Steel at 84; $7,400 Price Bros. at 84½; $3,000 Quebec Rly. at 69¾ to 69; $100 Riordon at 96; $15,500 Steel of Canada at 99¾ to 99; $462,950 Victory Loan (1922) at 100⅝ to 100⅛; $274,500 (1923) at 100¾ to 100¼; $29,050 (1927) at 102⅝ to 102; $654,400 (1933) at 104¾ to 104⅛; $152,450 (1937) at 106⅛ to 105⅝; $33,400 War Loan (1925) at 99¼ to 97¾; $17,800 (1931) at 99 to 97⅞; $89,000 (1937) at 100½ to 98¾.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
April 25	Sarnia, various	W L. McKinnon & Co.	6 & 6½%	Var.	$111,992	104.26	5.50%
" 28	Kenora, locals	Aemilius Jarvis & Co.	6%	20-yr.	17,000	100.52	5.95%
" 30	Lincoln County, roads	Dominion Securities Corporation	5½%	20-yr.	200,000	102.77	5.27%

MAY : INTEREST : DIVIDENDS
Suggestions for the Reinvestment of your Victory Loan Interest

Victory Loan	5½%	1922 1927 1937 Price at market.	
Victory Loan	5½%	1923 1933 Price at market.	
Dominion of Canada (Guaranteeing G.T.P. Ry.)	4%	1962	yield 5.25%
Province of Ontario (Guaranteeing H.E.P. Com.)	4%	1957	" 5 25%
Province of Alberta	5%	1926	" 5.375%
Government of Newfoundland	6½%	1928	" 5.50%
Montreal Tramways & Power Co., Ltd.	6½%	1924	" 6.25%
Fraser Companies, Ltd. (First Mortgage Bonds)	6%	1922-3-4	" 6.25%

W. A. MACKENZIE & CO. Particulars on request. Correspondence invited. TORONTO, CANADA

Is It Fair to Make Your Friend Your Executor?
Perhaps you feel you honor him with your trust. You certainly burden him with a great responsibility. Few individuals can spare the time and few have the ability or experience to properly carry on the duties of Executor of an Estate. Our thirty-six years' experience in the care and management of Estates and Trusts is evidence of our worthiness to be appointed your Executor. Write for our Booklet, "A Talk with a Business Man."
THE
TORONTO GENERAL TRUSTS
CORPORATION
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Head Office: 83 Bay St., Toronto

The Benefit of Experience
Because this trust company handles many estates, while the individual executor may handle but one in a lifetime, it is able to render special service by employing scientific accounting methods, the best legal talent and sound information about investments. This extra service is obtainable at no greater cost to the estate than that of an individual executor.
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Head Office:
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It is wise to select for the administration of your will, an executor of established experience, and reliability. We act in that capacity. It is comfortable to know that your wishes will not be miscarried after you have gone. Consult us regarding your will.
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The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

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HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - 247,015.79

General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

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HEAD OFFICE - - - TORONTO

WHY MUTUAL POLICIES ARE EASY TO SELL

FIRST—Because of the co-operative and democratic principle on which the Company is founded: The Mutual Life Assurance Company of Canada is a Company consisting of Policyholders, maintained by Policyholders, exclusively for Policyholders.
SECOND—Because the purpose for which the Company was established is now generally understood: The Company since its establishment in 1869 has consistently followed one aim—that of furnishing the largest amount of protection for the least possible outlay.
THIRD—Because the Company's day-by-day activities advertise it: The Mutual of Canada since its organization has paid to Policyholders or their beneficiaries or holds as a trust to guarantee future payments, over sxty millions of dollars.

"BE A MUTUALIST!"

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

5½% INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of
The Great West Permanent Loan Co.
SECURITY

Paid-up Capital $2,412,578.81
Reserves 964,459.39
Assets 7,086,695.54

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,468,523.08
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

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INVEST your money in our Mortgage Debentures paying 5½% No worry—no trouble—no expense — and absolute safety.

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INVESTORS' INSURANCE NOTES

INSURANCE MEN ALMOST A UNIT AGAINST FORM

Fire Companies as Well as Brokers Oppose Signed Application

COSTLY AND USELESS

Would Serve no Protective Purpose Save in Litigation—"Honest Intent" the Ordinary Basis

The Superintendent of Insurance could hardly have devised a regulation that would have provoked more intense and almost universal opposition than has arisen towards his proposal to make compulsory signing of an application form in the case of every policy that is written up for fire insurance. Reference was made a couple of weeks ago in THE FINANCIAL POST to the numerous questions that it was suggested the assured must answer and sign, with the proviso that, if he failed to do so within ten days of the issuance of the policy, this should be cancelled. The company had no other course.

Sign in Small Districts

From the point of view of theory the position of the companies does not appear to be opposed. As a matter of fact signed applications are the usual rule in the case of country business, and often agents in towns get the forms signed. This is done as a matter of precaution for the companies, as the machinery, individually or as a body, does not cover the smaller places so thoroughly as the cities, where usually the exact conditions of most of the desirable risks are known accurately. Then the signed application is required in small places where the property cannot be inspected personally by the agent, and greater care thus must be exercised. Signed forms help out in the absence of maps.

But for the cities,—a chorus of protests goes up. It is claimed both by the heads of the companies and by the brokers that this work would entail a large amount of personal labor on the part both of the assured and the insurance man; in the cases where the business comes over the counter there would be a big increase in clerical work. Where a broker is given an order to place insurance for a hundred thousand or a million, this usually is divided with a number of companies. In the case of each one the assured would be compelled to make out a separate form, or the agent for him, and get signatures for each.

Crooks Would Not be Deterred

And what is the benefit? the companies ask. This would not decrease the risk to the company; if a man wanted to be crooked he would not mind signing an incorrect statement any more than he would have any qualms at giving false information verbally to the agent. Then after a fire, there is an affidavit to take in connection with the claim that protects the companies ordinarily against cases where there is extra insurance taken out that was not revealed at first.

For a Litigious Company

One insurance man said he thought that the only positive claim in favor of the signed application was the evidence it would provide a "litigious" company in a case in which an attempt was made to get out of paying the loss. But the average company, he declared, was not looking for loopholes to be enlarged. Where there was any fair claim at all the insurance companies as a matter of policy settle without any litigation.

In speaking to THE FINANCIAL POST the manager of one company said:

"After all, in the vast majority of cases, honest intention is the basis of the contract between us and the assured, and we do not think that the making compulsory of signing the application will accomplish anything, while on the other hand it will be a cumbersome matter and expensive at that, and the extra expense will fall on the assured, not on the companies; it must be passed on. At present we can ask for a signature if we think best; our objection to the Department's action is that it makes this compulsory. And so far as I have been able to make out it does not offer any obstacle to a man who is out to beat us."

Business Men Might Object

One insurance company manager said he thought that the idea came from the Fire Prevention Committee, representing a number of business and commercial bodies, formed for the purpose of reducing fire waste. But with the work entailed he did not believe that business men over the country would favor the plan. "The rank and file of commercial bodies will be up in arms when they realize what this actually means. It will be additional expense with no advantage."

With the pronounced opposition it is possible the question will not be advanced during the present session.

The Application Form

Following is the form of application for insurance which has been proposed:—

I hereby make application to the .... Company for insurance against loss by fire for a term of .... on (here describe property to be insured).

The following question should be answered in full by the applicant:

1. (a) State fully your interest in the property. (b) Is it mortgaged or otherwise encumbered. (c) If so, state in whose favor and to what amount. (d) If site is leasehold, state how long lease has to run.

2. (a) Has the property ever been damaged by fire since you acquired your interest therein? (b) If so, give year and month of fire, and cause if known. (c) If insured at time of fire, give name of company. (If more than one, one name will be sufficient.)

3. (a) Have you ever had any other property damaged by fire? (b) If so, give: 1, Description of property; 2, Date of fire and cause, if known; 3, If insured, name of one insurance company.

4. (a) Have you ever had insurance cancelled by an insurance company? 1, On this property? 2, On any other property. (b) If so, give name of company and reason for cancellation, if known, in each case.

5. (a) Have you reason to apprehend incendiarism? (b) If so, give full particulars.

6. (a) Do you keep books? (b) If so, name the books kept. (c) Do you take stock? (d) If so, when was it last taken? (e) What was the value at that time of the stock proposed to be insured? (f) Are books and copy of last inventory kept in a fireproof vault or in separate building? (g) What do you consider the present value of stock? (h) How is this value arrived at?

7. (a) What do you consider the present value of the building? (b) How is this arrived at?

8. What other insurance do you carry? (a) On building? (b) On stock?

9. (a) How is the building heated? (b) If by stoves:—1, Are stoves and pipes in good order? 2, Is floor around each stove protected by non-combustible material?

10. (a) Are ashes invariably placed in metal receptacles? (b) If not, how are they disposed of?

....
Applicant.

LARGE INCREASES BY AETNA LIFE

Some Huge Totals Shown in Company's Year Book Recently Issued

Huge figures of business done in 1918 are contained in the year book, 1919, of the Aetna Life Insurance Co. and affliated companies, which has recently been issued. The Aetna Life issued new business to the extent of $237,473,503, bringing the total of business in force at Jan. 1, 1919, up to $673,171,467. Its premium income for the year amounted to $38,830,295, while from interest, rent, etc., it derived $7,472,150. Death claims took $8,642,850 and the total payments to policyholders amounted to $23,200,649, an average of $63,563 per day during the year. The company's assets now amount to $149,788,100, of which $61,150,451 are in mortgages and $56,297,543 in stocks and bonds. The surplus to policyholders stands at $17,164,653.

In the accident and liability department, the premium income amounted to $19,720,787, an increase of $3,489,178. The increase occurred in liability and workmen's compensation premiums, business in these lines being stimulated by unprecedented industrial activity during the war.

The Aetna Casualty and Surety Co., continued in 1918 the steady progress which marked its course ever since its organization. The premium income was $8,989,177, an increase of $1,385,397. This increase was not confined to any one or two branches of the company's business but was well distributed. The Automobile Insurance Co. received premiums of $7,834,171, an increase of $2,645,975. The gross premium income of all companies was $55,653,644, representing a gain for the year of $9,252,471.

TO VISIT CANADA

Fire Manager of the Royal Exchange is Coming Here

Capt. Ferrers Daniel, fire manager of the Royal Exchange Assurance, who is now visiting the United States branch, will visit the Canadian branch before returning to England about June 1. Capt. Daniel is not taking up many details on this trip. He is here partly for the good of his health, as he was wounded and gassed. He entered service at the beginning of the war in 1914, and has not yet been discharged, but is on leave.

AVIATION RISKS BEING INSURED BY ENGLISH COS.

Important English Companies Form Association to Frame Tariff

VARIOUS FORMS

Flying, Now Emerging From Experimental Stage, Calls for Some Standardization of Insurance

It was quite to be expected that with the development of commercial aviation there should be established a system of air insurance and over in England one notes the recent formation of the Aviation Insurance Association, an organization controlled by a committee representing a number of powerful insurance interests. The concerns in the association at present are Lloyds, the Eagle Star and British Dominions Insurance and Excess Insurance Co.

Insurance risks in aviation have, as a matter of fact, been underwritten for some years, but it has not been until recently that any attempt has been made to place the matter on the level of other forms of insurance. This is easily understood. Flying was at first experimental and hazardous. In the early days of the war it was regarded as one of the most dangerous operations that could be undertaken. While flying under peace conditions precludes the more obvious hazards of war, yet, from the insurance point of view, the situation has peculiar complications.

As regards the problem of rates for this class of risk it has been found impracticable as yet to establish a fixed tariff. The English Association referred to above is preparing a schedule of rates by which it will be possible for brokers to accept certain risks without reference to the underwriters. Otherwise, any attempt to fix flat rates at the present stage of aircrafts insurance would involve premiums so high as to be prohibited.

"At present," says "The Financial Times," of London, "one of the chief difficulties of rating risks lies in the necessity of taking into consideraton a number of factors, such as the type of machine, the qualifications of the pilot and the nature of the flying, before any rate can be quoted. This naturally involves a fairly comprehensive series of questions which have to be answered before a policy can be taken out, but it follows that such a catechism is imperative until such a mass of experience is collected as will enable the nature of risks to be reduced to a common denominator. It is certainly to be hoped that no attempt will be made to standardize machines, as in the nature of things, any attempt to achieve finality in this direction would be fatal to progress. But some classification of machines and pilots is very desirable. We understand that a system of testing and licensing of machines and inspection of aerodromes is under consideration by the Air Ministry. The classification of ships at Lloyd's is an obvious parellel."

Another of the latest developments of aviation insurance consists of a pool made up of 31 of the leading English insurance companies. Each company acts independently as regards the issue of policies, but these will be secured on the combined resources of the whole group, in view of the heavy risks to be underwritten. Under the scheme insurance may be effected against damage to machines, accidents to passengers and pilots, loss or damage to goods in transit and liability of injury either to the public or private property.

INSURANCE MYSTERY

What Became of the Most Heavily Insured Hamiltonian

Insurance men in Toronto and Hamilton are interested in the disappearance recently of John Lennox, said to be the most heavily insured man in Hamilton. He was reported to have vanished from a row boat in whichc he was fishing in Burlington Bay, near his summer cottage at the Beach. He is said to have carried $185,000 insurance upon his life, $50,000 of which was taken out in 1917. He carried $75,000 in accident insurance. Mr. Lennox made insurance his hobby, and often said that if he made enough to live and keep up his insurance he was satisfied.

There is said to be no doubt but that the companies will demand the recovery of the body, and a coroner's certificate of death, with perhaps, an autopsy to establish the cause. While the endowment policies may not be disputed, in view of the fact that he carried a fairly heavy insurance for the past twenty years, it is thought that perhaps he may have been seized with apoplexy, and if it is established that death was due to natural causes and not to accident, the companies in which he had accident policies will undoubtedly contest liability.

CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer.
W. H. Woods, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

The London Mutual Fire Insurance Company

ESTABLISHED 1859

Assets $639,691.53
Surplus to Policyholders 164,317.87

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British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
HEAD OFFICE - - LONDON
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock. Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets, over - - $3,500,000.00
Losses paid since organization, over - $43,000,000.00

Western Assurance Company
Fire, Marine, Explosion and Automobile Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - $6,000,000.00
Losses paid since organization over - - $70,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

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Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
The Empire Loan Company
Winnipeg, Man.

For the well groomed man
TEXEND BRACES
Finer than the imported
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CANADIAN NATIONAL

EFFECT OF WAGE RATE ON BUILDING

Reduced Wages Declared to be Not Necessary to a Resumption of Building

That a reduced wage scale is not an indispensable preliminary to resumption of activity in the building trades is the opinion of M. C. Tuttle, of Boston, who has just returned to business after more than a year of service as production manager for the United States Emergency Fleet Corporation. Mr. Tuttle bases his judgment on some very recent investigations of large construction enterprises located at various points from New England to Florida, supplemented by careful studies carried out under his direction by the Aberthaw Construction Company of Boston, of which he is general manager. These unmistakably indicate that increased efficiency of labor is bringing down costs even while wages remain at existing altitudes.

"In the course of viewing numerous undertakings more or less closely associated with interests of the Government," says Mr. Tuttle, "I have lately been impressed to find the statement commonly made that costs of operation are beginning to show a noticeable decline. And this, almost without exception, was attributed to increased efficiency of the labor force, due in part to the opportunity for weeding out the less dependable workers, and in part to the growing desire of all members of the force to retain their jobs.

"Owing to inadequate or otherwise unsatisfactory cost systems maintained in connection with most of these undertakings, I found it impossible fully to check the statement by actual figures. Accordingly, I asked my own company to make out the cost of any one process in an operation continued over a period of several weeks. That which was selected was a piece of concrete work; the costs studied were those for the common labor employed on this work from January 7th to February 4th of the present year inclusive. During this period the wage scale remained unaltered; but the personnel of the labor force underwent frequent changes.

"A graph of the labor cost of the work during the period noted shows a sharp and almost undeviating decline from day to day. On February 4th these costs were exactly 50 per cent. less per unit than were those of January 7th. It is my belief that the experience of my company is by no means isolated; and that in almost any labor force there lies the opportunity of realizing economies ranging from 20 to 50 per cent. without interfering with the wage scale.

"This implies, of course, that there is now increased opportunity for selecting men according to their suitability for a given task, and an increased eagerness on the part of the men to make good. But this is as it should be; and the whole country ought soon to feel the effect of it in general improvement at all points. It is a case of supplanting so called **liquidation of labor** by proper **adaption of labor** as a means of keeping the cost of doing things within the bounds of utility.

"And in this connection it may well be urged that state of mind is often as potent a factor in ultimate labor costs as is the rate per hour. Any one experienced in handling workmen has recognized the difference in output between a cheerful, capable man, anxious to hold his place, and one who is a little disgruntled, and quite conscious that he can get another job the moment he drops the present one. Multiply either case by thousands of individual instances and I believe that there will be found, in shifts of mental attitude, the explanation of much of the variation which occurs in unit cost. And this, after all, is the element of labor which directly affects the profits of the employer."

SARNIA'S HOUSING

Commission is Now Ready to Proceed With Building Plans

Sarnia's housing commission, formed under the Ontario Act, is now in a position to receive applications for the erection of houses as provided in the by-law passed by the city council adopting the Ontario Housing Act. The scheme of the Housing Commission embodies two plans by which homes may be acquired: first, where a man owns a lot he may pay for same over a period of twenty years; secondly, where he does not own a lot the commission will erect a home for him and give him an opportunity of paying for both house and lot. The amount of monthly payments will vary with the cost of the dwelling, but the following figures will give some idea of what is possible. On a house costing $3,000 the monthly payments will be approximately $20. On a house costing $2,000 the monthly payments will be about $13.50, and on a house costing $1,000 about $6.50.

ENSURING THEM HOMES

Financial Concern in Toronto Buys Houses For its Staff

An interesting sidelight on the housing situation in Toronto is afforded by the action of a prominent financial concern, which, in order to ensure that members of the staff returning from the front should have homes to return to, has been buying houses for them. Presumably some arrangement has been made whereby these employees will buy the houses on easy terms from the company. The fact that it has been necessary to take this action illustrates forcibly how serious the house shortage has become.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on May 1. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1917-18	Dividends			Last Dividend		Yield to April 24	BANKS	Range 1916		Range 1917		Range 1918		Range 1919 to April 24				Close May 2 1918		Close May 1		Week ending May 1				Montreal Minimum
				1915	1916	1917-18	Date 1918-19	Rate			High	Low	High	Low	High	Low	High	Date	Low	Date	Ask	Bid	Ask	Bid	High	Low	Close	Sales	
4,866,666	3,017,333	428,844	13 70	7	7	8				British North America	112	110	112	112	165	112													
15,000,000	15,000,000	1,444,842	19 00	10+2	10+2	10+2	1st Mar.	3	5.85	Commerce	203	183	188	182½	202	183¾	215	Jan. 9	201	Jan. 2	185¾	185	205	204½	205	204½	204½	125	185
6,000,000	7,000,000	416,503	18 10	12	12	12	1st Apr.	q. 3	5.79	Dominion	220	204	212½	202	209½	199	219	Jan. 20	207¾	Apr. 23	202		208½	207¾	208	207½	208	159	202
3,000,000	3,500,000	85,114	19 03	12	12	12	1st Mar.	q. 3	6.44	Hamilton	197	246¾	192	184	188⅛	184	209	Jan. 15	183½	Feb. 26	188		185⅞	185¾	185⅞	185¾	185⅞	137	184
4,000,000	3,800,000	62,959	14 87	9	9	9	1st Mar.	q. 2¼	5.08	Hochelaga	149	145	145	140	143	140	148	Jan. 15	147	Jan. 13					149¾	149	149¾	13	140
7,000,000	7,000,000	1,204,942	16 92	12	12	12	1st May	q. 3	6.00	Imperial	203	180	200½	185	202½	185	210	Jan 20	200	Apr. 23		185	199	198	199¾	198⅝	198⅝	144	185
1,946,806	300,000	145,238	11 15	7	5	5	1st Mar.	q. 1¼	6 32	Home Bank																			
7,000,000	7,000,000	437,973	17 66	10	10	10	1st May	q. 2¾	5.58	Merchants	180	150	170	167	180	169	200	Apr. 24	180	Jan. 2	167		203	200	202½	200	202	143	167
4,000 000	4,800,000	248,029	17 80	11	11	11	1st Apr.	q. 3	6 06	Molsons	195	182	186	179½	179⅞	179⅜	200	Jan. 17	179½	Jan. 3	179⅞		198		198	197⅞	198	40	179⅞
16,000 000	16,000,000	1,901,613	16 01	10+2	10+2	10+2	1st Mar.	q. 3	5 45	Montreal	240½	219	234	210	218½	210	225	Apr 24	210	Mar. 20	210		225	218	221	220	220½	75	210
2,000,000	2 000,000	59,965	20 88	8	8	8	1st May	q. 2¼	6.08	Nationale	134	134	149	134	148	148													148
6,500,000	12,000,000	749,694	21 70	14	14	14	1st Apr.	q. 4	5.97	Nova Scotia	261	254	257½	248½	251½	248	272	Jan. 29	255	Jan. 4	248			269	269	268	269	72	248
4,000,000	4,750,000	199 855	16 12	12	12	12	1st May	q. 2	5.76	Ottawa	204	202	202	200	206	201	208	Feb. 1	203	Jan. 4									198
14,000,000	15,000,000	535,757	20 06	12	12	12	1st Mar.	q. 3	5 58	Royal	221¼	210	214	208	215	205	214	Jan. 2	205	Feb. 17	208		215	214½	216	214¾	215½	115	208
3,500,000	4 500,000	227,326	19 91	13	13	13	1st May	q. 3¼	6.34	Standard	221	211¾	215	200	208⅜	200	215	Jan. 13	204½	Apr. 24	200		206	204	204½	203¾	204½	14	200
1,216 932	350,000	40,873	15 38	6	6	6	15th Feb.	q. 1½	6.59	Sterling																			
5,000,000	6,000,000	625,623	16 90	11	11	11	1st Mar.	q. 3	5.97	Toronto	215½	190	192	187½	193½	184½	205	Feb. 4	193	Jan. 6			200½	200	200¾	200¾	200½	26	187
5,000,000	3,600,000	126,298	15 48	8+1	8+1	8+1	1st Mar.	q. 2½	6.21	Union	140	132	142	135	162	137	171	Jan. 7	157½	Feb. 20		150	151	160	160	160	160	30	136

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Date	Rate	Yield		High 1916	Low 1916	High 1917	Low 1917	High 1918	Low 1918	High 1919	Date	Low 1919	Date	Ask 1918	Bid 1918	Ask May 1	Bid May 1	High	Low	Close	Sales	Montreal Minimum
27,450 000	8,483,500	50,867,325							Barcelona, T. L. and P.	17	19	17	8	15¼	8¾	13¼	Jan 10	9⅝	Mar. 15	9¾	9½	10⅜	10	10¾	10	10	525	
106,417,800		7,500,000	5,190,986	4	1	1st Mar. 17	q. 1		Brazilian Traction L. and P.	62⅝	43	47¾	31¾	40	32	55¾	Mar 20	50	Feb. 4	33⅜	33½	54¼	54	54¾	53	54½	1,202	32
	10,000,000			6	6	1st Apr.	q. 1½		Brazilian Traction, Pref.																			
12,000,000		6,684,206	5,009,630						Canada Steamships Lines, Com.	45	16	45⅝	29¾	51	39¼	45⅞	Jan. 2	41½	Feb. 2	39½	39¼	44¾	44¼	44¾	44⅛	44⅛	520	39¾
	12,500,000			5¼	19.83	1st Apr.	q. 1¾	8.64	" " " Pref	95½	89¾	93¾	71	80	72½	80¾	Apr. 23	77	Feb. 13	76	75½	80½	80¼	80¾	80	80½	1,474	76
260,000,000	80,681,921	271,934,882	233,990,716	10	10	1st Apr.	q. 2½	6.13	Canadian Pacific Railway	182½	163¾	167½	127¾	185	137¾	163½	Feb. 24	160	Jan. 9	140	138							
15,000,000		35,326,500	7,978,243	6¾	7¾	1st Mar.	q. 2	6.66	Detroit United	128½	69	128	104¾															102¼
3,500,000	1,500,000	3,500,000	576,002		2	2nd Jan.	s. 1	6.45	Duluth Superior Traction Co., Com.	49	37	51	40	42	41	32	Apr. 16	28	Feb. 21	41								42
12,331,000		4 562,000	1,726,008	3	3				Illinois Traction, Com.																			35
	7,289,500			6	6	1st Apr.	q. 1½	7.50	Illinois Traction, Preferred	91	87¾	89	79	80	80	80	Feb. 1											80
20,000,000		16,381 333				1st Nov. '13	q. 1¾		Mexico Tramways Co.																			
25,206,800	12,603,400	87,369,600	19,911,878	7	7	15th Oct.	s. 3½		Minn., St. P. and S.S.M., com																			
3,394,300		35,608,153	1,256,449	10	10	2nd Apr.	q. 2½	6.66	Montreal Tramways			181	144	150	150													150
9,000,000	4 465,500	14,075,000	2,428 908	5	5	15th Sept.	q. 1¼	6.84	Northern Ohio Traction																			
3,000,000		3,931,666	173,084			1st Oct. '14	p. 1		Porto Rico Railways Co., Com.	49½	30	42	30	37	25¼	35	Feb. 8	33	Feb. 6									
	1,000,000			7	7	1st Apr.	q. 1¾	8.75	" " " Pref.	30		80	80															
9,999,500		10,797,000	684,572			15th Jan. '12	q. 1 p		Quebec Railway L., Heat & P. Co.	45	14	35½	14¾	22½	15	22	Mar. 8	16½	Feb. 19	18	16	19	18	20	18	18⅞	995	15
12,000,000		3,730,253	6,675,017	8	8	2nd Jan.	q. 1		Toronto Railway	111	72	90½	58½	63	58	55	Jan. 4	40	Apr. 14	58		48	46	45	41½	45	73	60
22,000,000	3,000,000	20,263,000	1,285,804	6	6	2nd Jan.	q. 1	8.69	Twin City, common	101	93⅜	95	53	65½	39½	50	Feb 21	39	Jan. 2	48		46	45	45½	45	45	31	
9,000,000		10,130,000	1,502,068			1st Jan. '16	q. 2½		Winnipeg Electric	110	90	81	36	48	48	49	Mar. 3	35	Jan. 16	88		46½	45½	45	45	45	30	48

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Date	Rate	Yield		High 1916	Low 1916	High 1917	Low 1917	High 1918	Low 1918	High 1919	Date	Low 1919	Date	Ask 1918	Bid 1918	Ask May 1	Bid May 1	High	Low	Close	Sales	Montreal Minimum
18,000,000		11,149,000	2,286,556	8	8	15th Apr.	q. 2	6.15	Bell Telephone	152	140	150	129	132¼	128	130	Jan. 2	129	Feb 17			129¼		130	130	130	1	1
5,360,700				10	10	1st Apr.	q. 2½	6.66	Consumers Gas	176	160	165½	147	153	144½	152	Feb. 14	149½	Mar. 18	144½								
1,900,000		2,999,813	177,747						Calgary Power																			
41,380,400			1,924,151	5	1½	1st Apr	q. 1½	7.89	Mackay, common	69¼	64½	90	70¾	79¾	72½	79	Mar. 3	71½	Jan. 23	77	75½	78½	77½	78	75	73	630	
	50,000,000			4	4	1st Apr.	q. 1	5.97	" preferred	15	15	68	59	65⅜	56⅛	66¾	Apr. 24	64¼	Jan 28	66	64½	66⅞	66	66¾	66⅝	66⅝	35	
13,585,000	6,000,000	21,073,833	318 522			30th Dec. '13th	q. 1		Mexican Light and Power Co., com					20	18													
63,965,800			1,585,313		4	15th Feb.	q. 1	4.39	Montreal L., H. and Power Cons			82⅞	67½	88½	68¾	93	Mar. 26	84½	Feb. [illegible]	77	76	90	89⅞	90¾	90	90	2,012	68½
3,499,120		1,275,000	884,525	6	6	1st Apr.	q. 1½	7 31	Ottawa, Light, Heat and Power Co.	95¼	92	92	69¾	86	69	82¼	Apr. 8	75	Jan. 18									69½
15,000,000		12 8 8,761	2 992 348	7	7	10th Apr.	q. 1¾	5.93	Shawinigan Water and Power Co.	137	126¾	130½	107	118½	105	118¾	Mar. 10	114½	Jan. 13			121	120¾	120½	118	120½	1,678	107

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Date	Rate	Yield		High 1916	Low 1916	High 1917	Low 1917	High 1918	Low 1918	High 1919	Date	Low 1919	Date	Ask 1918	Bid 1918	Ask May 1	Bid May 1	High	Low	Close	Sales	Montreal Minimum
5,000,000	1,000,000	5,953,200	632,047	1¾	7	1st Apr.	1¾	11.11	Abitibi Power and Paper, com			58½	48	51½	48	67	Mar. 5	48	Jan. 3									48
6,514,000	7,895,200		525,402						Amer. Cyanamid, com			30	19	35⅞	21													
3,500,000		1,562,666	507,408						Ames Holden McCready Co., com	35	19½	23½	12	28	15	33	Apr. 11	26	Jan. 3	19	17½	32		32	32	32	50	15½
	2,500,000					1st July '14	q. 1¾		" " " pref.	80½	52	61	47	72½	47	77½	Feb. 28	65⅜	Jan. 2	58	57			76	75	76	412	47
4,265 600				4	4	21st Feb.	q. 1¼	10.63	British Col. Fish, com			56	35	51½	41	49	Jan. 6	46	Mar. 15	50	48½	48		47½	47½	47½	75	40
7,000,000	2,000,000	1,452,000	607,100		5	7th Feb.	1¼	8.77	Brompton Pulp and Paper, com			59	38	63¼	41¾	61	Jan. 7	56	Feb. 3				55¼	57	55	55	479	39
750,000			721,391	6	6	1st Apr.	q. 2	8.88	F. N. Burt Company, com	88	72	82	65	75	63½	90	Apr. 3	71	Jan. 13				89	90	90	90	66	
	1,975,200			7	7	1st Apr.	q. 1¾	7.44	" " " pref.	96	86	93½	86	90	77¾	95½	Mar. 15	90	Jan. 22	85	84½	95	94½	95	94½	95	48	
2,500,000		3,750,000	153,523		2	2nd Jan. '17,	2		Canada Bread, com	30	16½	20	13	24½	16	23½	Jan. 11	18	Feb. 11			20¼	21¾	22½	19½	21¾	1,405	
	1,250,000			7	7	1st Apr.	q. 1¾	8.43	" " pref.	90	87	86½	80	83¾	83¾	85	Jan. 18	82½	Apr. 5			84	82	82¼	82	82	68	83
13,500,000		6,839,046	4,002,643	4½	6	16th Apr.	q. 1½	9.09	Canada Cement, com	73	37¾	69⅞	52	69¾	56½	71	Mar. 4	63	Feb. 6	60	59½	66½	66	68½	65	66½	808	57
	10,500,000			7	7	16th Feb.	q. 1¾	6.93	" " pref.	9	86	95¾	90	96	90	101¼	Apr. 24	95	Jan. 2					101½	99½	99¼	96	90
4,975,000		5,222,593	5,830,171			2nd June '14	s. 2		Canadian Car and Foundry, com	75	32	46½	17	38¼	18	32¾	Feb. 25	28	Jan. 2	32½	31		30	31½	30	30½	645	18½
	7,500,000					10th Apr.	q. 1¾	7.95	" " " pref.	94	1¾	89	49	91	49½	90	Apr. 7	82	Jan. 23	78½		88½	88	88¾	88	88½	360	49½
1,733,500		399,000	541,711		3	15th Feb.	q. 1¼	9.07	Canadian Converters	40	34	43	39	50	43	56	Apr. 24	45	Feb. 6			55½	55¼	57½	55½	55½	1,120	43
2,715,500		4,688,000	1,948,109	3	4	4th Apr.	q. 1½	6.97	Canadian Cottons, Limited com	65	39	56	46½	70	48½	66	Apr. 23	67	Feb. 20		58	84½	83½	85¾	84	84	180	48½
	1,661,500			6	6	4th Apr.	q. 1½	6.89	Canadian Cottons, Limited, pref	82½	75½	82	75	77	71	87¾	Apr. 22	76	Jan. 10	76		86		87	86	86½	146	76
600,000	31,500,000		1,762,537	3	9	15th Jan.	s. 3		Canadian Fairbanks-Morse, pref.																			
960,000		179,200	1,297,706	10+9	12+3	15th Feb.	q. 3	6.05	Canadian Foundries & Forgings, co	217	170	205	150	213	150	200	Feb. 18	191	Feb. 18									15½
	960,000			7	7	15th Feb.	q. 1¾	7.21	" " " pref	90	85	84	82	97	90	89½	Feb. 13											
1,[illegible]00,000		1,500,000	1,657,324		3	1st Apr.	q. 1½	8.95	Canadian Locomotive Co., com	64½	51	64	52½	69½	58	67½	Apr. 16	60	Feb. 20			68	67	67½	66½	67½	245	53
	1,500,000			7	7	1st Apr.	q. 1¾	7.77	" " pref.	99	81	91½	83	90½	83	91¾	Mar. 18	89½	Apr. 8					91	90¾	91	47	84½
2,805,500		9,500,000	4,305,934			15th Oct. '14			Can. Consolidated Rubber, com	91	84	99¾	90	100	98													90
	3,000,000			7	7	31st Mar.	q. 1¾	7 14	" " " pref.	97	91	99¾	95	98	97	98	Jan. 16	97	Feb. 7									97
8,000,000			5,122,776	8	8	1st Apr.	q. 2	7.47	Canadian General Electric, com	121	108	115½	99½	106	99½	108	Apr. 24	101½	Mar. 18	102½		107½	106½	107¾	107	107½	193	101½
	2,000,000			7	7	1st Apr.	s. 3½	6 36	" " " pref.	112	110	106	94½	110	100													
1,200,000		465 500	573,116						Carriage Factories, Limited, com	44	29¾	25	9¼	17	15													15
	1,200,800					15th July '15	q. 1¾	10.00	" " " pref.	75	60																	58
565,000		55,114	159,507	4		1st Oct. '16	q. 2		City Dairy, com	98	89	30	30	50	30	55	Mar. 19	43	Jan. 28									30
	700,000			5¼		2nd Jan.	q. 1¾	7.65	" " pref.	100½	92	70	60	87	60	91	Mar. 25	84	Feb. 18									
6 500,000			3,025,307	8+12	9½+2	15th Feb.	q. 2	6.50	Dominion Bridge Co.	231½	160	170	125	128	123	123	Jan. 13											123
796,300		1,179,410	1,472,221			1st Apr. '14	q.		Dominion Canners, com	22	15	26	19	43	40	39⅞	Mar. 4	34	Mar. 14	31	29	41½	41	42¾	38¾	41	1,595	23¾
	2,290,600				7	1st Apr.	q. 1¾	8.13	" " pref.	65	61½	78	65	81	65	86	Apr 23	76	Jan. 10			91	88½	90	87	90	19	
37,097,700	7,000,000	21,206,777	15,562,286		4½	1st Apr.	q. 1½	9.83	Dominion Steel Corporation, com	82	43	71¼	50¾	65	53	62½	Jan. 3	58¾	Feb. 3	60½	60		62	62¾	60½	62¾	3,996	52
	5,000,000	13 861 880		7	7	1st Apr.	s. 1¾	7.29	Dominion Iron and Steel, pref.	105	90	95	87½	98	88	97½	Apr. 15	93½	Jan. 2			99	97⅜	97	96⅜	96⅝	29	88
15,000,000	3,000,000	6 162 000		7	7	1st May	q. 1¾	7.21	Dominion Coal, pref.	99	93	96½	85	95	94¼	98	Feb 3	96½	Feb. 27									94¼
5,000,000		3,267,500	2,189,194	6	7	1st Apr.	q. 2	7.01	Dominion Textile, com.	90½	74½	89	76½	100⅝	80¾	115¼	Apr. 22	100	Feb. 5	88½	88	112⅝	112½	114	112½	112½	378	80¾
	1,940,600			7	7	15th Apr.	q. 1¾	6.60	" pref	105	101	105	99½	102	100	108	Mar. 14	101	Jan. 15					106	106	106	5	100
2,250,500		1,150,000	520,221						Goodwins, Limited, com	40	40			15	11	12¾	Feb 26	10	Feb. 5									
	1,750,000					2nd July '14	q. 1¾	11.66	" " pref.	75	40	45	45	45	45	60	Mar. 1	45	Jan. 11									45
747,560		210,000	1,360,336	6	6	2ndApr	q. 1½	6.00	Goulds Manufacturing Co., com.			100	100	100	100													100
	747,500			7	7	2nd Apr.	q. 1¾	7 00	" " " pref			100	100	100	100							62	55	56	56	56	100	100
6 267,005	500,000		1,009,017						International Petroleum			15.30	11.60	20.50	13.00	31 00	Apr 9	19 25	Jan. 8	14.00	13.00							
40,000,000		8,294,000	4,541						Lake Superior Corporation			24	10¼															
2,100 000		900,000	978,797	8	8	1st Mar.	q. 3	7.40	Lake of Woods Milling Co., com	136¼	122	130	120	169	120⅛	165	Jan. 14	157	Mar. 26					162½	162½	162½	20	120⅛
	1,500,000			7	7	1st Mar.	q. 1¾	6 60	" " " pref	129	116	116	116	110	100	106½	Jan. 16	106	Jan. 17				106	106½	106½	106½	6	
9,600,000		620,615	2,425,548	8	10	1st Apr.	q. 3	5.79	Laurentide Co.	217½	176	195	152	198	152	209½	Feb. 20	192	Jan. 10			207¼	208	207	207	207	10	152
1,750,000	1,300,000	1,038,600	365,852		2	10th Apr.	2	11.76	Lyall Construction Co., com	93	25	80	53	85½	63	68	Apr. 4	64	Apr. 2	76	74							62
3,000,000	1,766,800		190,908			30th June '13			A. Macdonald Co. com.	19½	10	15½	8	23	13½	25	Feb. 26	21½	Jan. 10	14½			23	23	23	23	50	13½
2 500,000			2,072,508	9	22½	18th Apr.	q. 2½+1	7.19	Maple Leaf Milling, com	122	100	115	90	140	91	142	Mar. 13	121¼	Jan. 30	97½	96¾	149½	148½	150	141½	148¼	4,091	88½
	2,500,000			7	7	18th Apr.	q. 1¾	6.36	" " pref.	108	93	103	91¾	98½	91½	102	Apr. 22	96¼	Jan. 8			102¾	102¼	102½	102¼	102½	220	
2,949,600		774,689	2,420,384	4	4	15th Mar.	q. 1	5.55	Montreal Cottons, Ltd., com.	63	50	58½	49	61	50	72½	Apr. 8	58⅜	Jan. 9	55	50			70	70	70	40	50
	3,000,000			7	7	15th Mar.	q. 1¾	5 79	" " " pref.	115	99	103	99	100	99½	103	Mar. 15	100	Jan. 17			103		103	102½	102½	31	99½
1,275,000			527,504			1st Nov. '13	q. 1½		Monarch Knitting Co., com	40	25⅛	40	30	46	39	60	Mar. 12	50	Jan. 28									
	750,000			7	7	1st Feb.	q. 1¾	8 13	" " pref	83	80	81	80	80½	75	86½	Apr. 22	78	Jan. 6	80			85	85	85	85	5	73
2,000,000			2,331,209						National Steel Car, com			21	5	10½	5	16	Feb. 27	5	Jan. 16	10		13	10	12½	12	12	20	
	1,500,000			3½		15th Jan	q. 1¾	13.20	" " pref			78	17	40	20	59	Mar. 19	18	Jan. 14	36		51	50	51	51	51	20	
15,000,000		11,169,619	4 616,584		5+20	15th Apr.	q. 1¼	9.09	Nova Scotia Steel, com	154½	93¾	128	66	71½	63½	66	Jan. 6	48	Mar 5			67	65½	66	55⅛	66	345	63½
	1,000,000			12	8	15th Apr.	q. 2	7.61	" " " pref.	115	110	112	105	103	100	106	Feb. 11	104½	Mar. 21									
2,500,000		2,350,000	3,830,592	8+4	10½15	1st Apr.	q. 3	5.58	Ogilvie Flour, com.	152	127⅞	158	137	205	140	224¾	Jan. 11	194	Mar. 11	168				219	217	219	160	140
	2,000,000			7	7	1st Mar.	q. 1¾	6.36	" pref.	116	44½	115	107	111	100	110	Feb. 8	106	Jan. 13									
750,000		575,100	843,029						Ont. Steel Products, com	45	19	34	18	35	22½	32½	Feb. 19	27¼	Jan. 4			28		27	27	27	100	22½
	750,000			5½	7+1¼	15th Feb.	q. 1¾+½	8.97	" " " pref	91½	73	74	74	28	73													
650,000			38,026	2	2	1st Jan.	s. 1	6.80	Pacific-Burt Co., com	29	20	40	28	34	34	30	Apr. 2	29	Apr. 10									
	650,000			7	7	1st Apr	q. 1¾	9.09	" " pref	83½	77½	82	79	77¼	77¼	78	Apr. 16	75	Mar 8									
600,000			644,594	8+3	8+5	15th Mar.	4+2	7.75	Paton Manufacturing Co.			130	124	124	124													124⅝
2,150,600		2,000,000	3,350,167	4+1	4+1	15th Feb.	q. 1½	6.31	Penmans, Limited, com	78	60	73½	64	84	65	95	Apr. 24	77½	Jan. 4	75	73½		91	94	94	94	75	65
	1,075,000			6	6	1st May	q. 1½	6.45	" " pref	90	82	86	81½	85¼	81½	93	Apr. 9	82¾	Feb. 5				90	93	93	93	6	81⅞
5,000,000		5,923 764	2,220,239	6	6	2nd Apr.	2	4.84	Price Bros	132	60½	134	115	151	120	190	Feb. 25	150	Jan. 10									120½
4,500,000		2,036,600	1,851,813	3½+1	6+4	15th Feb.	q. 2½	8.26	Riordon Pulp and Paper, com	150	59	127	106	123	117¼	123	Feb. 21	117¼	Jan. 2			121	120	125½	119	120	14[illegible]	117¾
	1,000,000			7	7	31st Mar.	q. 1¾	7.36	" " pref			95	90	97	92½	96	Feb. 4	94	Jan. 4									90½
1,500,000		502,000	273,647	6	3	1st Apr. '17	q. 1½		William A. Rogers, Ltd., com	99	85	80	40			30	Apr. 8	25⅛	Mar. 28									
	1,122,800			7	7		q. 1¾		" " " pref	99	87	92	90			75	Apr. 10	65	Mar. 13									60
800,000			536,162		7	1st Aug.	q. 1¾	8.86	Russell Motor Car, com	114	32	92	50	90⅞	55	79	Apr. 17	68	Feb. 19									50
	1,200,000				29¾	1st May	q. 1¾	8.43	" " pref	139	66	122	72	91½	68¼	83½	Apr. 14	70	Jan. 10	70	69	88	85	84½	84	85	21	68½
1,500,000		574,500	129,711						Sawyer-Massey Co., com	30	20	24	8	13	10	12	Apr. 17	8	Apr. 17			11	10	10½	10½	10½	25	
	1,500,000					2nd June '14	q. 1¾		" pref	134½	58	41	40	40	40	35	Apr. 22	30	Apr. 11				39	38¾	36	36	35	40
4,000,000		1,838,500	2,333,282						Sherwin-Williams, com	99½	53½	60	56	60	60	60	Jan. 3											60
	3,425,000			7	7	31st Mar.	q. 1¾	7.07	" " pref	100	97½	100	98	100	99	99½	Jan. 14	99	Jan. 6				99½	100	100	100	20	99
8,750,000			395,100	6+1	6+2	1st Mar.	q. 2	5.97	Shredded Wheat, com	140½	102¼	137¾	112	112	100	135	Apr. 15	124	Mar. 15									109½
	1,250,000			6	6	1st Mar.	q. 1½	6.66	" " pref	120	95	95	95	92	87	90	Apr. 22	89	Jan. 13									
1,062,500		288,000	205,765		4				Smith Paper Mills, Com.			74½	66	66	65	65	Feb. 27											
	475,000				7	15th Apr.	q. 1¾	8.80	" " " Pref					80	73¾	79	Feb. 28	78	Feb. 28									65
8,000,000		10,332,113	1,071,301						Spanish River Pulp Mills, com	24¼	3½	19	12½	20	12¾	21¼	Feb. 28	17	Jan. 14			20¼	20	20	19¾	19¾	825	13
	5,699,100					15th July '13	q. 1¾		" " pref.	70	29	59¾	47	64¾	50	82	Mar. 31	63½	Jan. 23			80¼	79¾	81	79	80	394	80
11,500,000		8,931,246	15,019,130	4	6	1st May	q. 1½	9.52	Steel Co. of Canada, com	88¾	34¾	71½	47½	74¼	49¾	65½	Jan. 8	57½	Feb. 1	60	59½	63½	63¾	64	61½	63½	1,372	49½
	6,496,300			10½	7	1st May	q. 1¾	7.36	" " pref	107¼	82½	100½	84½	98	84	95	Jan. 6	91½	Mar. 28	91			96½	97½	96	96	252	85¼
1,250,000	3,602 700	1,111,736	154,402			1st June '14	3½		Standard Chemtnal, pfd					62	62½													
1,220,000		167,155	251,154			1st May	1½+1	6,45	St. Lawrence Flour, com					97¾	50	96	Jan. 2	87½	Mar. 12				92⅞	93½	92	93	587	
	575,000					1st May	1¾	8.23	" " pref			56	49	85	80	85	Apr. 2						88	88	85	88	25	55
650,000			149,379						Tooke Bros., com	25	16	19	19	30	15	28	Apr. 5	20	Mar. 11			28½	27	28	28	28	50	19
	985,000			8¾	8¾	15th Mar.	q. 1¾	9.21	" " pref.	83	78	79	70	77	72¼	77	Apr. 11	70	Feb. 4			77	76	76½	75	76½	908	70½
750,000		500,000	254,089	5	6+4	2nd Jan.	s. 3	8.33	Toronto Paper Co.	96	44	90	72	72⅜	65	75	Apr. 1	68	Mar. 6									
2,500,000			337,933						Tuckett Tobacco, com	25	23½	22½	17	24¼	18½	29¾	Apr. 24	22	Jan. 17			36	3[illegible]	37½	29½	36½	2,211	18½
	2,000,000			7		15th Apr.	q. 1¾	8.23	" " pref.	90	75	83½	78	82½	72¾	90	Apr. 24	80	Jan 4			90	89	90	90	90	25	80
1,750,000		901,000	580,347			2nd Apr.	1½	8.00	Wabasso Cotton					61	21	75	Apr. 22	58	Jan. 2					75	75	75	170	
5,000,000		3,395,000	1,408,060						Wayagamack com			97	50	55	50	55	Jan. 2	50	Feb. 13			50		50	50	50	100	50
1,718,600		449,000	1 091,439		7	1st Mar.	q. 1¾	7.77	Woods Manufacturing Co., Ltd. com.	65	33	61	44	98	57¼	90	Feb. 11	86¼	Jan. 13									53
	1,546,500			15¾	7	1st Apr.	q. 1¾		" " pref	101	84	86	80	86	83½	90	Mar. 17	86	Mar. 14					90	90	90	3	86

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Deposits Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917-18	Last Dividend		LOAN AND TRUST	Range for Year 1917		Range for year 1918		Latest Price		Last Sale
				Date	Per cent.		High	Low	High	Low	Ask	Bid	
1,205,000	3,847,080	1,337,989	9	1st Apr.	q. 2¼	Canada Landed	160	150	148¾	140	148		148
6,000,000	19,626 287	5,672,509	10	1st Apr.	q. 2½	Canada Permanent	173	162½	169½	162½		171	172½
1,750,000	4,968,206	1,842,074	10	1st Apr.	q. 2½	Central Canada					190		
20,000	2 981,290	427,213	6	2nd Jan.	s. 3	Col. Investment, pref.	77	63	69	63		78¾	79
934,876	1,032,651	271,556	5	2nd Jan.	s. 2½	Dominion Savings			76	75		82	75
2,412,566	2,221,508	827,258	5	1st July	Def.	Great West Per							89½
1,200,000	2,091,322	1,228,340	8	2nd Jan.	s. 4	Hamilton Provident	142	137	133	121		140	
2,500,000	12,299,412	3,323,337	12	1st Apr.	q. 1½	Huron and Erie	211	205	204	203			207
1,000,000	1,597,848	886,732	8	2nd Jan.	s. 4	Landed Banking	143	143	141	140		142	139
1,250,000	2,653,710	924,981	8	1st Apr.	q. 2	London and Can. Loan	132	128½	126½	126½	130		127
887,849	1,664,356	362,385	6+1	1st Apr.	q. 1½	London Loan and Sav							
600,000	317,808	764,494	10+1	15th Mar.	q. 2½+1	Montreal L. & Mtg. Co.	165	162½	152				153
1,500,000	7,892,179	1,662,183	10	1st Apr.	q. 2½	National Trust	212	207½				210	207½
1,750,000	3,749 473	2,093,943	9	1st Apr.	q. 2¼	Ont. Loan and Deb.	175	175				160	155
500,000	643 698	262,754	7	2nd Jan.	s. 3½	Real Estate Loan							
1,500,000	34,589,757	2,152,812	10+1	1st Apr.	q. 2½	Toronto Gen. Trusts	215	200	204	199¾	207		207½
724,550	1,773,183	659,449	8	1st Apr.	q. 2	Toronto Mortgage Co.	140	136	134			133	132
1,000,000	1,912,673	1,134,604	10	1st Apr.	q. 2½	Toronto Savings							185
1,000,000	11,157,301	494,065	7	1st Apr.	q. 2	Union Trust							178
[illegible],000,000	49,964,580	7 463,612	15	1st Apr.	q. 2	Canada Life Assurance							190

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1917	Last Dividend		MISCELLANEOUS COMPANIES	Range for year 1917		Range for Year 1918		Latest Price	
				Date	Per cent.		High	Low	High	Low	Ask	Bid
3,000,000		1,395,591		15th Apr.	1¼	Asbestos Corporation, com.	21	12	45	15		57¾
	7,000,000		6	15th Apr	1½	" " pref	58	42	62¾	44½		77
1,500,000		1,588,183	9	1st Apr.	s. 4	Canadian N. Prairie Lands						
800,000	390,000	451,006	8	1st Apr	q 2	Canadian Salt	136	128	132	126		135
59,109		1,757,277	$5	23rd Dec.	$5	Can North-West Land						
100,000	11,234,281	1,969,045	20	31st Mar.	q. 5	Confederation Life A.	330	330			375	
6,212,666		501,345		1st Mar.	q. 1½	Crows Nest Pass Coal	70	50	55	50		53
1,000,000		292,230	6	15th Apr.	q. 1½	Dominion Telegraph	89	76½				85
3,000,000	12,669,500					Electrical Dev., pref.						
450,000	b 7,072,085	1,991,255	10	1st Apr.	q. 2½	Imperial Life Assur						
500,000	460,400	785,511	7	5th Feb.'	s 3½	Intercolonial Coal, pref					80	
3,000,000		133,458		1st Mar. '14	1	Intern. Coal and Coke			25	25		
2,196,951	1,922,500	652,429	7	15th Feb.	q. 2	Kaministiquia Power			120	120	112	
637,480	b 585,937	136,566		2nd July '17	s. 3	London Street						
2,000,000		119,740	8+10cts	15th Apr	q. 2	Montreal Telegraph	138	115	120	120		120
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1 164,000	b 741,000	286,076	3½	10th July '15	q. 1¾	Trinidad Electric						
2,340,100	b1,439,926	858,434	3+2	16th Mar.	q. 2	W. Can. Flour Mills						
800,000	b 600,000	606,068	5	1st Apr.	q. 1¼	West India Electric	77	77				

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and Loss; +—indicates bonus; b—means bond; P—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 16th, 1912; Feb. 1st and Nov. 17th, 1913, December 1, 1914.

Canadian Y.M.C.A. Finances

ON May 5th throughout Canada, the National Council of the Young Men's Christian Associations inaugurates a Red Triangle Campaign to raise $1,100,000. Before asking for renewed endorsation, it is desired to render full account of the funds subscribed in response to the appeal of one year ago, and to thank the public most sincerely for the generosity that made possible the Y.M.C.A.'s work for the soldiers throughout the war.

The Consolidated Financial Statement of the Y.M.C.A. for 1918 has been duly audited and found correct by Price, Waterhouse & Company, of London, England, and Oscar Hudson & Company, Toronto. *A full copy of this statement may be obtained at any local Y.M.C.A. building, Red Triangle Club or Red Triangle Campaign Headquarters in Canada.*

We present herewith a complete summary of our finances for 1918, covering our entire service in France, England, Scotland, Belgium, Germany, Holland, Northern Russia, Siberia and Canada, where the Association served, and is still serving, Canadian men and boys. We also outline our 1919 Budget.

Y.M.C.A. Receipts During 1918.

Balance on hand, January 1, 1918 - - - -	$ 415,847.87
Refund from Overseas - - - - - - - -	240,382.74
(For goods in transit as at Dec. 31, 1917)	
Public Subscriptions, 1918 - - - - - - -	3,112,242.10
Gross Canteen Sales - - - - - - - -	6,181,583.45
Room Rents and other Revenues Overseas - -	52,935.89
(Beaver Hut, London, Y.M.C.A. Hotel, Paris)	
Overseas Contributions, Interest & Exchange - -	43,473.27
Room Rents to Soldiers in Canada and all other revenues	20,677.14
Total Receipts - - - - -	$10,067,143.46

Disbursements:

The scope and variety of the entire service in so far as expenditures can reveal them are indicated in the items which follow:

1.—Cost of Goods Sold in Canteens— $5,076,098.36

2.—War Service Overseas - $2,843,935.46

Huts, tents, marquees, canteens' up-keep and equipment, rents, lighting and heating, $626,177.92.

Free distribution athletic supplies and prizes, $233,793.44.

Khaki University for Soldier Students, $500,000.00.

Other educational work overseas, $6,141.52.

Transportation, transport, equipment and running expenses, $117,066.06.

Free cinemas, concerts, lectures and musical instruments, $260.855.99.

Stationery, magazines, religious and other literature, $171,088.25.

Free distribution hot and cold drinks, chocolates, biscuits and cigarettes (in France and Belgium only), $136,281.49.

Cash gifts to units, $163,368.79. Being 5% of gross canteen sales to soldiers in France, to be spent on extra rations, comforts, etc., and including cash gifts to units in England.

British Y.M.C.A. work for Imperial soldiers, and Chinese, $75,000.00.

Y.M.C.A. work among French, other Allied soldiers and Allied prisoners of war, $100,000.00.

Salaries, pay and rations (officers, non-commissioned officers and civil staffs, and board for civil staffs and volunteer workers), $317,071.55.

Headquarters and local headquarters, France and England, $100,321.90

Dept. of Records and information, $4,859.94.

International Y.M.C.A.'s Hospitality League (for reception and entertainment of troops passing through London), $9,487.62.

For Canadian prisoners of war in Holland and Canadians on Murman Coast Expedition, $7,558.96.

Loss by fire, shell fire, pilferages and breakages ($50,873.50 less reserve provided in 1917 for this contingency), $146.23.

Unpaid accounts and commitments $13,440.00.

Special relief work in England, $1,275.80.

3.—War Service in Canada - $951,339.61

(Including Siberia)

Huts and equipment, rentals, etc., $208,416.68.

Free athletic supplies, $17,121.02.

Free distribution stationery, reading matter, games, etc., $31,915.02.

Free cinemas, concerts, lectures, musical instruments, etc., $30,664.64.

Y.M.C.A. service on transports, munition plants and internment camps, $68,859.38.

Boys' farm service programme, $50,541,65.

Barracks, hospitals, discharge depots and troop trains, $55,026.50.

Y.M.C.A. service to Canadian Expeditionary Force to Siberia, $15,000.00.

Transportation, transport equipment and running expenses, $13,219.21.

Educational work, health and sex hygiene, $10,593.31.

Expenses sending workers overseas, $8,555.77.

Department records and information, $9,988.26.

Salaries, pay and rations of workers, $165,874.31.

Headquarters and local headquarters expenses, $53,384.93.

Allowance for unpaid accounts and commitments, $45,000.00.

Organization and collection expenses in connection with Financial Campaigns, 1918, including printing and advertising, $167,178.93.

4.—Regular Work of the National Council— $150,615.80

Part of above is Military Administration and the remainder National supervision of Territories, Boys' Work, Student, Industrial and Railroad Departments, funds for which were subscribed in conjunction with Military Funds by agreement of regular contributors.

5.—Young Women's Christian Association— $100,000

(Amount raised in 1918 Campaign for work of Dominion Council of Young Women's Christian Association for girls, soldiers' dependents, etc.)

Recapitulation:

Total Receipts, 1918 - - - - - - - - - -		$10,067,143.46
Total Expenditures, 1918 - - - - - - - - - -		9,121,989.23
(See details above)		
Total Balance on hand - - - - - - - - - -		$945,154.23
Balance in Canada - - - - - - - - -	$248,740.44	
Balance Overseas - - - - - - - - -	696,413.79	

(Balances were chiefly made up of canteen stocks in hand or in transit.)

NOTE: The net earnings of canteens were spent entirely on service to the men, and in order to carry on the full Y.M.C.A. programme overseas in 1918, $1,432,896.69 was sent from Canada, and, in addition, $500,000 for the Khaki University and $75,000 for the work of the British Y.M.C.A. for Imperial Soldiers and Chinese.

F. L. RATCLIFF, *Chairman Finance Committee.*

What Soldiers Say About the Y.M.C.A.

Lt.-Col. W. P. Purney, Dominion President, Great War Veterans' Association, Sydney, N.S. Jan. 23, 1919.

"There is no bone of contention between the G.W.V.A. and the Y.M.C.A. The Y.M.C.A. has done a work that no other institution could or would do. Speaking as president of the organization, and for our members, I wish the Y.M.C.A. God-speed in their splendid work."

Philip Gibbs, War Correspondent, London Chronicle.

"I want to pay a very big tribute, my warmest tribute to the work of the Y.M.C.A. Very quickly after each battle these men of the Y.M.C.A. brought out their tents and equipments, by means of which they could give hot cocoa, coffee and cigarettes to these men in the lines, and words cannot say what a cup of coffee meant to men plastered in white clay like those I have described. I remember seeing and marvelling at the rapidity with which the Y.M.C.A. got up their tents and equipment under Vimy Ridge, within a few hours of the capture of that place."

Major General Sir David Watson, Quebec, P.Q., Commanding Officer, 4th Canadian Division.

"The Y.M.C.A. over here is doing a most noble work, and I am proud of the work that is being carried out by the Canadian Y.M.C.A."

No. 456823, Pte. F. Frieman, 21st Battalion.

"On behalf of the boys who travelled from Halifax I really take pleasure in thanking you for the splendid work done by your representative on the train. Judging by unfavorable reports, I, while in England, had been prepared for a neglected welcome of returned soldiers. But I am glad to say they are more than well looked after on the road to their homes, and in Halifax."

T. A. Hector, Regina.

"I would like to take this opportunity before finally leaving the Military Service of thanking you and the Y.M.C.A. organization, first for the many good things I enjoyed in France, and secondly for the cheerful, helpful work during the journey homeward. I voice the appreciation of many others."

Signaller LD.Smith, Belmont, Manitoba, 43rd Battalion.

"Let no man now say anything against the Y.M.C.A. to me, or he will get what for if I catch him. It is in France we found the great need of the Y.M.C.A., and, believe me, it is a Godsend to the boys in the trenches."

Driver E. L. Milton, Vancouver, B.C., 45th Battery.

"The prices charged by the Y.M.C.A. canteens are rivalled by no other canteens, and more than that they sell Canadian goods—Canadian cigarettes, Canadian maple sugar, milk, fruit, and cereals. I cannot see anything wrong with the Y.M.C.A., and if the people at home knew its real value to the boys at the front they would give it all the support it needs."

Corporal G. Waterman, Vancouver, B.C.

"I think that this idea of a representative of the Y.M.C.A. on the homecoming troop trains is an excellent one, and I hope that it will be continued until the last Canadian comes home."

Y.M.C.A. Budget for 1919

THE total budget of the National Council of the Canadian Y.M.C.A. this year calls for an expenditure of $2,869,669 The cost of the Y.M.C.A. work for the soldiers overseas, estimated at $1,350,000 for eight months ending August 31st, will, it is expected, be provided for by the balance of funds on hand overseas, by the liquidation of overseas assets and 1919 canteen earnings. The budget in full outline is as follows:

1. Overseas Work for Soldiers Until Conclusion (To be financed by balance on hand, liquidation of assets and 1919 canteen earnings overseas) $1,350,000

2. Service to Returning and Returned Soldiers - - - - - - - - - - - $973,549

Red Triangle Service on Transports, $120,000.

Red Triangle Service at Disembarkation Ports, $50,000.

Red Triangle Service on Troop Trains, $30,000.

Free distribution apples, chocolate, cigarettes, games, etc., to soldiers coming home, $148,000.

Service to Canadian Military Hospitals, Camps and Barracks and in 11 Red Triangle Clubs, $398,849.

Red Triangle Service to Canadian Siberian Expeditionary Force, $50,000.

Appropriations to Local Associations for Military Work, $88,500.

(This furnishes dormitory accomodation, bathing facilities and other privileges for enlisted and discharged men.)

Sex Education, Internment, Camp work, etc., $28,750.

Administration National and Divisional Headquarters, $59,450. Total, $973,549.

3.—National and Reconstruction Work— $466,120

Extension Y. M. C. A. work among Boys, $80,035.

Extension Y.M.C.A. work in Counties, $35,055.

Extension Y. M. C. A. Industrial and Railroad work, $62,400.

For promotion of physical work and Sex Education, $16,275.

For student and general Religious work, $24,520.

For Supervision of Districts, $84,100.

For Canadian Training School for Y. M. C. A. Officers and Recruiting and training, $20,000.

For General administration, office, accounting and miscellaneous items, $143,735.

Total $466,120.

Y. M. C. A. Requirements, 1919

Total Y.M.C.A. Budget - - - - - -		$2,869,669
Items 1, 2 and 3, above - - - - -	$2,789,699	
Expenses of 1919 Campaign - - -	80,000	
Required for Work Overseas (as above) - - -		1,350,000
Required for Work in Canada (as above) - - -		$1,519,669

Plan for Meeting Needs

Overseas

Balance on hand overseas - - - - - - -	$696,413.79
Estimated 1919 Canteen Earnings - - - -	500,000.00
Proceeds, sale of Equipment overseas (estimated) -	150,000.00
Total available for Overseas - - - - -	$1,346,413.79

In Canada

Required for Work in Canada (as above) - -		$1,519,669.00
Balance on hand in Canada, January 1, 1919,	248,740.44	
Outstanding 1918 Subscriptions - -	400,000.00	
		648,740.44
		$870,928.56
Contingencies (New Red Triangle Clubs, etc.) - -		22,071.44
Net Y.M.C.A. Budget - - - - - - -		$893,000.00

Summary of Red Triangle Campaign

(a) Net Y.M.C.A. Budget, as above - $893,000.00

(b) Young Women's Christian Association— $175,000.00

(This part of the Red Triangle Fund is being asked for the work of the Dominion Council of the Young Women's Christian Association, including care of soldiers' dependents coming to Canada.)

(c) To British Y.M.C.A. - - - - $32,000.00

For Canadian representatives on reconstruction work in Poland and France.

Total Objective - - - - $1,100,000.00

National Council, Young Men's Christian Associations of Canada

The Red Triangle Campaign is under the distinguished patronage of His Excellency, the Duke of Devonshire, K.G., G.C.M.G., G.C.V.O., P.C.

Hon. Campaign Chairman:
JOHN W. ROSS, MONTREAL

Campaign Chairman:
G. HERBERT WOOD, TORONTO

Campaign Treasurer:
THOMAS BRADSHAW, TORONTO

Campaign Director:
CHAS. W. BISHOP, TORONTO

FEATURING BANKING

THE FINANCIAL POST

The Canadian Newspaper for Investors

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HOW CANADA'S BANKING SYSTEM HAS SERVED INDUSTRY AND TRADE AND THE NATION DURING THE WAR

Big Expansion in Current Loans and Hundreds of Millions Advanced to the Government

GOOD USE MADE OF INCREASED SAVINGS

The War Accounts of Canada and Great Britain Absorbed the Great Bulk of What Did Not Go to Domestic Business in Shape of Current Loans

WITH the period of war industrial activity closed and with many problems of readjustment to consider in relation to manufacturing, agriculture and other phases of domestic and export trade, it is particularly timely to consider the banking system in its closely interwoven relations with all classes of business throughout the country. Not only is it of interest to analyze the services which have been rendered in the various branches of production and the activities of distribution and transportation in connection therewith, but also to consider the co-operation rendered to the Governments of Canada and of Great Britain in war-time financing.

Taking the financial situation as a whole there can be no doubt of the prosperity of the people, nor is it hard to find evidences of that inflation which has been a feature of the monetary system of practically all the nations which have been engaged in the war. The latter is a factor in the situation which to a considerable extent discounts the former; in other words the value of the dollar has been much reduced. The first is indicated by the fact that savings deposits have grown from about $650,000,000 to over $1,000,000,000 since August 1914, despite the absorption of about $1,500,000,000 of war loans, while the latter is shown by the increase of bank assets from about $1,500,000,000 to over $2,600,000,000, and by the enlarged bank clearings.

Deposists and Current Loans

As there is in the public mind a close and practical relationship between the deposits of the people in savings accounts and the amount which is loaned for current business activities—activities which in a large measure mean general prosperity—reference to the accompanying chart will be of interest. It will be noted that prior to 1914, and particularly during 1913, the current loans were much higher than were deposits—in fact the spread ran close to $300,000,000 or nearly 50 per cent. In 1914, however, even prior to the outbreak of the war, there was a tendency shown to check commercial loans despite the fact that deposits were increasing. About mid-summer of that year expansion of credits to business was again indicated but when the war broke out the clamp was put on.

The war brought about a situation in which the banks decided as a matter of policy to trim sail. In this they were undoubtedly justified not only by the fact that great uncertainty prevailed but that in every direction there was restriction of activities and, therefore, a curtailment of legitimate requirements. This conservative policy was followed pretty constantly until the latter part of 1916 when current loans were considerably under the $750,000,000 mark, a decline of about $150,000,000. During the same period the savings deposits had been steadily on the increase and, when loans were at their low point, had reached a level around $820,000,000.

From the time when deposits reached a higher level than current loans—about the middle of 1916—they continued their rapid advance and, despite the heavy drain for the Victory Loan of 1917, maintained that position until the end of the war. During the same period there was a rapid expansion also of current loans to meet the financial demands for war activities which were then general in every direction.

The end of the war, coming about the time of the Victory Loan of 1918, there was not only a sharp drop in deposits on the one hand but a marked expansion of current loans on the other—confidence in the business situation being fully restored—with the result that during the latter months of the year, and since, current loans have again risen considerably above deposits, although the latter are rapidly recovering from the reaction of loan withdrawals. Current loans at the outbreak of the war and at annual periods since are indicated in the following summary:

Current Loans in Canada

Aug., 1914	$ 836,574,099
Aug., 1915	758,342,735
Aug., 1916	739,938,513
Aug., 1917	836,429,670
Aug., 1918	920,775,269
March, 1919	1,117,197,446

In the following summary are the savings deposits at corresponding periods with the demand deposits: ?

	Savings	Demand
Aug., 1914	$ 659,399,151	$338,984,418
Aug., 1915	692,580,626	334,022,174
Aug., 1916	806,774,687	443,317,275
Aug., 1917	952,591,821	439,995,259
Aug., 1918	1,014,711,865	554,906,517
March, 1919	1,037,851,766	566,797,268

Bank Clearings

Aug., 1914	$ 583,943,112
Aug., 1915	566,042,056
Aug., 1916	858,474,941
Aug., 1917	970,073,186
Aug., 1918	1,067,337,811
Mar., 1919	1,115,298,364

Evidence of the industrial and trade expansion in which current loans were such an important factor is also indicated by the growth of bank clearings throughout the country. These more than doubled between August 1914 and April 1919 as indicated by the following summary:

Co-operation in Government financing has been a direct war-time service of the banks. This was largely effected through the issue of Dominion treasury notes at Ottawa and of treasury bills by the British Government; these were issued in Canada through the Imperial Munitions Board. The latter represented financing of a comparatively long-term character while the arrangement with the Dominion Government was one by which the current funds, largely savings deposits, were advanced for the use of the nation pending the issue of war securities. At the same time the banks had power under the War Measures Act to increase their circulation by depositing certain designated securities with the Government.

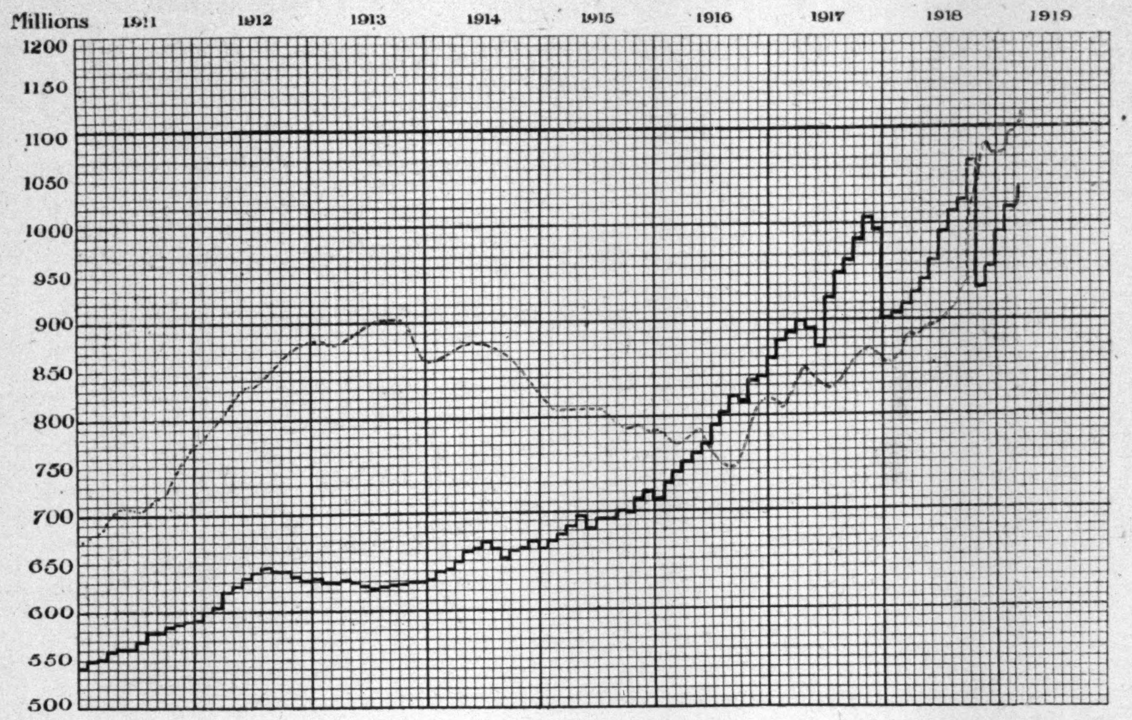
The manner in which the relations of the banks and the Government were maintained is interestingly indicated in the accompanying chart, the fluctuations being largely caused by federal financing as the investments in provincial securities, also included, were not subject to important change.

The Government did not begin to draw upon the banks to any great extent until 1916 and it was, in fact, not until 1917 that the loans began to take on important proportions. During that period they rose from around $30,000,000 in December 1916 to $195,000,000 in the following November. Following the Victory Loan of 1917 the effects of liquidation on the part of the Government are to be noted until in June of 1918 the obligation to the banks was down to $100,000,000. From that time forward until the Victory Loan of 1918 the drain upon the banks was very heavy, the high mark of $277,000,000 being touched in November. From that time the funds realized from the national issue were again being used to liquidate obligations and the February statement showed a reduction to $112,000,000 on which there was, however, an increase of $3,000,000 to $115,000,000 in March.

The interesting feature of the figures showing the balances owing to the Government by the banks is the influence of the Government issues, particularly the Government loans. On the one hand there are evidences that prior to these issues the banks exer-

(Continued on page 22)

CURRENT LOANS AND SAVINGS DEPOSITS OF CANADA'S BANKS



The heavy line represents savings deposits and the light line current loans. It will be noted that the clamp was put on after the outbreak of the war until the munitions business again created a legitimate demand for credit. Also that after the end of the war there was a further expansion of loans to domestic business at the same time that withdrawals for the Second Victory Loan cut down deposits. These withdrawals, however, did not result in any restraint upon industrial and commercial activities so far as the banks were concerned.

HOW THE CANADIAN BRANCH BANK SYSTEM GIVES EFFICIENT SERVICE TO THE WESTERN FARMER

Most Criticisms Being Offered Are Effectively Met by the Actual Conditions Revealed by Inquiry—Much of the Business is Not Profitable, Especially at Pioneer Branches

A LIVELY controversy is being waged over the services of the banks of Canada to the farmer. The majority of complaints that have arisen in, and any attempts at an organized protest have been limited to Western Canada, for in the older settled portions of Canada the voice of criticism of the attitude of the banks to the smaller communities is, comparatively at least, that of a "still small voice." But in the West, on the platform of several farmers' meetings, and in a section of the press, and in a few instances in the Legislatures, charges have been made that the banks of Canada discriminate against the smaller men, and particularly the farmers as against the "big interests"; that their policy of credits is determined around the Council Board in the East by men who have little sympathy with the toiler or the prairie, and that a system of local banks would provide an immeasurably more satisfactory treatment, more rapid, more equalized, more in touch with local needs and actual conditions, while the branch bank system, extending from Halifax to Vancouver, is "wrong in theory and utterly inadequate in practice."

Getting down to the foundation—the origin of complaints—it is found that these, as a rule, originate with the men who have been refused credit, and for reasons that form the ordinary test to the bank manager, much as an insurance company demands a doctor's examination to discover whether the applicant is a good or a poor risk. In one instance, a petition, with a large number of signatures from a Western town, reached the Western head office of a large Canadian bank, against the methods of a local manager. An inspector was despatched by the next train to investigate. The originator of the petition was found to be a lawyer, who had persistently refused to conform to ordinary bank procedure, whereof the details need not be mentioned. Such as these constitute by actual investigation the majority of the complaints. Of course, there are others backed by large organizations that will be referred to later.

No Limit Set for Western Canada

A few principles that have gov-

(Continued on page 24)

SEEKING TO REMOVE CAUSES OF COMPLAINT

A special committee of the Canadian Bankers' Association in the West is investigating complaints against the banks that have been made before various farmers' organizations, THE FINANCIAL POST is informed, and where real grievances exist remedies are being applied.

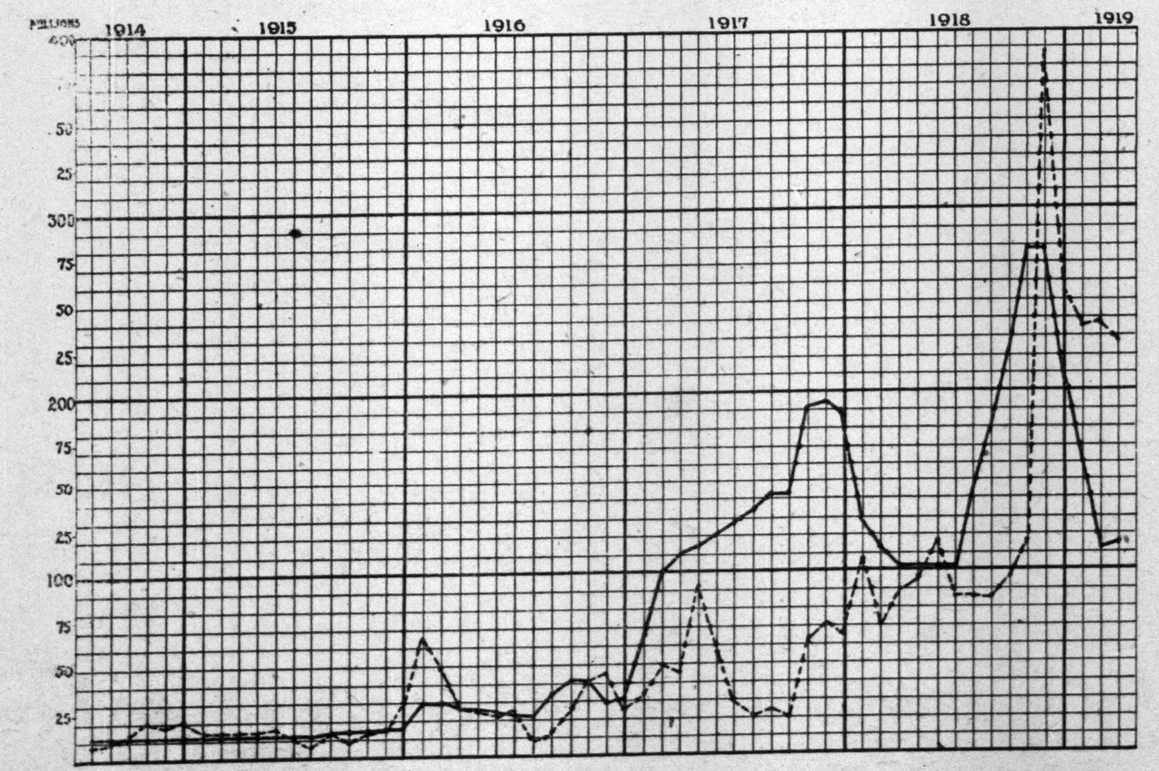
* * *

The first bank established in Winnipeg—for the West—was a branch of the Merchants. In 1872 a manager was sent out—carrying a liberal supply of currency. Weeks later, when word reached head office in Montreal that he had arrived safely, his assistant followed, on his long, toilsome journey (long before the C.P.R. was built) with $40,000 on his person.

* * *

The oft-mentioned money loaned on the New York market is limited to the bank's reserve funds that must be subject to call. This money could not be lent out West, where "call" loans as such would be out of the question. And in ordinary times call loans in New York do not pay on an average 3% interest.

WAR-TIME RELATIONS OF BANKS AND GOVERNMENT



The black line indicates the holdings by the banks of Government securities. The dotted line represents bank obligations to the Government. During 1917 and 1918 the movements are particularly interesting, particularly where they indicate the effect of the Victory Loan flotations. The banks used the privilege of the War Time Elections Act in financing Government needs prior to the issues following which there was liquidation by the Government on one account and large deposits in the other.

THE BANKS HAVE GUARDED GREAT PUBLIC DEPOSITS

Savings of the People Have Reached Billion Mark

RISKS AND PROFITS

Despite Fact That Banks Want to Make Money, They Are Usually Criticized for Conservatism in Loans

In view of the fact that since the outbreak of the war the savings deposits of the people of Canada have risen from around $650,000,000 to the $1,000,000,000 mark and that in addition over $600,000,000 is being carried in demand accounts, and considering that throughout the period of the great campaign and during this period of readjustment there has been and continues to be considerable uncertainty, is is almost a matter for surprise to find that there is little criticism heard of the banks risking their funds and much complaint that they do not lend with sufficient freedom. And yet the business of the banks is to make money and to do so they must take risks—the greater the risk the greater the profit.

Again when such complaints as those referred to are analyzed it will usually be found that the risk has been a poor one from the banking standpoint. A man will go to the bank and ask for credit on security which would be laughed at if he sought a loan from a business concern. And yet there is usually the feeling that the bank should take such risks. Evidently there is little consideration given to the fact that an individual would not consider such a risk, that he takes his money to the bank for safe keeping and that if the bank made the loan it would be obviously unfair to the depositor. In point the funds available at the bank are not the money of the bank but of the depositors. If the general public would look at the matter in this light there would undoubtedly be fewer complaints heard that the banks are close. The growth of savings deposits summarized as follows indicates the great responsibilities of the banks to the public in this regard:

August, 1914	$ 650,399,000
January, 1915	666,960,000
January, 1916	714,264,000
January, 1917	864,163,000
January, 1918	900,314,000
January, 1919	990,000,000
March, 1919	1,037,851,000

The argument of security to the depositor is one of the strongest which can be advanced in favor of the Canadian banking system. It meets many of the arguments of the occasional Western Canadian agitations for Western banks or Government banking institutions.

In the only two large failures of Canadian banks in the past twenty-five years the depositors were amply protected. In another case where a bank had been established in Western Canada in answer to similar demands to those now being heard from that quarter the depositors did lose lage sums. In two other cases in the 25 years where depositors of chartered banks lost money the institutions were small. In the case of the two large banks the capital in each case was $3,000,000.

Mention was made a short time ago in the FINANCIAL POST of a serious failure of a series of local State banks in Minnesota. Fourteen banks with a capitalization of $10,000 to $20,000 each, or a total of $176,000, but with deposits of $1,440,000, crashed. A group of unscrupulous men had been able to get control of the small capital stock and had lent some $910,000 of the deposits to some doubtful enterprises of their own, and when these failed, the banks could not hold up. The statement is made that the men behind this "enterprise" had planned to enter Manitoba as a "local bank, with all the strength, and weakness, of the local banks of the United States in small communities, as compared with the strong banks of limited number now operating in Canada.

Weakness of Government Bank

The argument in favor of local banks operated by the Provincial authorities contains even more than

(Continued on page 19)

THE GENERAL INDUSTRIAL AND COMMERCIAL PROSPERITY REFLECTED IN HIGHER BANK PROFITS

Figures for 1918 Generally Set a New High Record

BUSINESS EXPANDED

Earnings on the Basis of Finances Involved Continued to Show a Contraction—Distribution of Profits

THE effect of munitions activities and of high prices for agricultural and other natural products on business conditions in Canada during the latter years of the war finds reflection in the earnings statements of the Canadian banks. Profits for 1918 showed substantial increases despite the higher expenses entailed and being increased in many cases on the signing of the armistice by the fact that the successful conclusion of the conflict made available funds which had been set aside to provide against contingencies.

Comparative figures show that the earnings of the banks were seriously affected during the first two years of the war. The returns for 1915 were considerably below those of 1914, and, although there was a recovery noted during 1916, it was not until 1917 that the loss was fully regained and an improvement noted. This improvement was continued during 1918.

Such, however, has been the effect of the inflation of currency and other values that figures should not be taken entirely at their face value. For instance, it may be pointed out, that while there has been a substantial increase in profits, there has also been a great expansion of business. This is indicated by the fact that whereas in July, 1914, the total assets of all banks were $1,568,174,983, the amount had been increased to $2,612,163,711 by the end of March, 1919. At the same time the reserve funds increased from $113,381,526 to $117,433,322, and there was a considerable expansion also of surplus funds carried as balances in profit and loss accounts.

Readjusted Earning Power

In fact, on the basis of business transacted it has for some years been a feature of Canadian banking that the earning power has been on the decline. In this connection the wartime services rendered by the banks to the Government have been a factor; Government loans have represented very favorable business during such an unsettled period, but the fact remains that the interest rate was considerably smaller than on the usual commercial account.

Further, the banks have had to pay heavy war taxes in addition to their increased costs of operation. Nor has the reduction of the number of charters reduced competition—rather to the contrary. The strong banks are keener than ever in bidding for business, and since the end of hostilities a large number of new branches have been established. At no time has the effect of the consolidations been to reduce the total number of branches, which has been rapidly increasing during the past decade—to even a larger extent, in fact, than would seem to be warranted by the expansion of population.

Thus there has been created the situation that, while profits on capital invested have increased to new high levels, there has been a decline in the return on the total volume of funds involved which has resulted in a tendency to increase capital so as to even up the situation as betw the shareholder and the depositor; a number of new bank issues have already been made and others may be expected, unless there is some marked change in the general situation.

Distribution of Profits

The accompanying analysis of the results for 1918, showing a manner in which profits have been distributed, has some interesting features.

Bank Profits.

Banks.	1914	1915	1916	1917	1918
Commerce	$2,668,233	$2,352,035	$2,439,415	$2,637,555	$2,850,318
Dominion	925,365	848,741	947,615	1,065,062	1,146,498
Hamilton	485,265	424,274	442,525	†598,522	571,226
Hochelaga	566,614	530,237	*546,011	565,433	595,187
*Home	192,442	163,929	133,406	217,059	228,963
*Imperial	1,236,984	1,031,359	1,003,960	1,122,816	1,185,066
*Merchants	1,218,694	995,431	950,713	1,120,308	1,236,680
Molsons	608,196	556,193	582,356	615,514	712,485
Montreal	2,496,451	2,108,631	2,200,471	2,477,969	2,562,720
*Nationale	319,902	333,207	341,003	417,622	435,283
Nova Scotia ..	1,196,116	1,220,057	1,252,038	1,295,315	1,411,925
Ottawa	620,691	531,268	591,205	616,238	646,437
Provinciale ...	194,214	196,355	203,983	207,483	......
Royal	1,886,142	1,905,576	2,111,307	2,327,979	2,809,846
Standard	621,463	563,401	580,230	649,546	697,443
*Sterling	114,200	115,111	145,290	161,270	186,120
Toronto	829,538	663,074	730,954	802,820	844,402
Union	712,440	659,688	651,183	763,463	824,174
Weyburn	48,354	53,844	82,149	74,274	74,343

*Last available reports.

It will be noted that of the $19,058,122 earned by the eighteen banks whose reports are thus far available—that of the Provincial Bank not yet having been issued—only $11,974,143 was distributed to shareholders. This fact not only justifies the advances in rates which have been made in some instances, but encourage increased capitalization as is being effected by new stock issues.

Of the balance of profits, $988,776 was paid in war taxes, $2,736,710 was added to the rest fund, $1,074,319 devoted to pensions and contributions and $802,082 carried forward as surplus, increasing the total to $8,528,846.

Although the dividends returned to bank shareholders are on a comparatively high basis, it should not be overlooked that these not only represent the earnings upon paid-up capital, but upon large reserves. In the March bank statement the paid-up capitalization of the various chartered institutions is shown at $111,722,623, but the reserve funds amount to $117,433,322. On this basis a 12 per cent. dividend on capital means only 5.8 on shareholders' funds, not including undistributed balances.

Disposition of Canadian Bank Profits of 1918

Name	Balance	Profits	Total	Dividends	War Tax	Add. to Rest	Premises	Pensions, etc.	Balance
Montreal ..	$1,664,893	$ 2,562,720	$ 4,227,613	$ 1,920,000	$ 160,000	$........	$ 200,000	$ 46,000	$ 1,901,613
Nova Scotia	560,269	1,411,925	1,972,194	910,000	65,000	....	150,000	97,500	749,694
Toronto ...	555,306	844,402	1,399,709	550,000	50,000	....	110,884	63,200	625,624
Molsons ...	151,826	712,485	864,311	440,000	40,000	....	100,000	36,282	248,029
Nationale .	59,966	435,283	495,249	180,000	20,000	100,000	145,000	15,000	35,249
Merchants .	421,293	1,236,681	1,657,974	700,000	70,000	....	400,000	50,000	437,974
Union	106,624	824,175	930,799	450,000	50,000	200,000	75,000	29,500	126,299
Commerce .	1,332,075	*3,850,318	5,182,393	1,800,000	150,000	1,500,000	......	287,550	1,444,843
Royal	654,265	2,809,846	3,374,111	1,614,702	133,652	500,000	400,000	190,000	535,757
Dominion .	393,005	1,086,498	1,479,503	720,000	......	....	250,000	63,000	446,503
Standard ..	175,216	697,444	919,370	453,893	34,840	46 710	100,000	56,600	227,327
Hochelaga .	45,021	595,188	640,209	360,000	40,000	100,000	50,000	27,250	62,959
Ottawa	94,418	645,438	739,856	480,000	40,000	....	......	20,000	199,856
Imperial ..	1,164,876	1,185,067	2,349,943	840,000	70,000	....	200,000	35,000	1,204,943
Home	140,239	228,963	369,410	97,362	19,317	....	100,000	2,000	150,731
Sterling ...	60,829	186,120	246,949	72,906	11,982	50 000	71,187	......	40,874
Hamilton ..	232,421	†671,226	903,647	360,000	30,000	200,000	173,096	55,437	85,114
Weyburn ..	4,222	74,343	78,565	25,280	3,985	40,000	3,842	......	5,457
	$7,726,764	$19,058,122	$27,831,804	$11,974,143	$ 988,776	$ 2,736,710	$ 2,284,009	$ 1,074,319	$ 8,528,846

*$1,000,000 recovered from over appropriations.
†$100,000 recovered from over appropriations.
Note—Provincial Bank annual report not published at date of writing. Bank of B.N.A. merged in Bank of Montreal and Northern Crown with Royal B

FINGERPRINTING BANK AND COMMERCIAL SAFEGUARD

System is Being Advocated on a Broad Scale as Only Scientific Protection for All Parties to an Agreement

FINANCE and commerce have adopted the fingerprint. Heretofore this method of identification has been associated in the minds of the general public with the annals of police departments. Nevertheless, the usefulness of the method has been so far demonstrated that thousands of industrial, commercial, and financial institutions throughout the country have made it a part of their systems of protection, and the New York University, within the past year, has inaugurated a course in fingerprinting under the direction of Charles O. Tittle, head of the fingerprint bureau attached to the Magistrates' Courts of New York. Methods of making, as well as of identifying, fingerprints are taught, and in addition to Mr. Tittle, other experts, such as Police Inspector Joseph Faurot, head of New York's detective force, lecture to the university students on the use of fingerprints.

Mr. Tittle even advocates a national registration system. Already, as is generally known, fingerprints are used extensively as a means of identification by the departments of the army and navy, and for several years the method has been employed by the Navy Y. M. C. A. branch of the Franklin Trust Company of Brooklyn. According to the manager, L. Schlaefer, it has proved a great success and has worked to the satisfaction of both depositors and bank officials. If a sailor, who has opened an account with the trust company, finds himself in Singapore without funds, all he has to do is to write to the company for the desired amount of cash, affixing the fingerprint of the first three fingers of his right hand, and his draft is at once honored. This institution handles checks for from 300 to 400 sailors every day, and Mr. Schlaefer points out the danger in the usual means of identification, such as tags, cards, and passes used in the navy, articles which are frequently lost and might easily be fraudulently used.

This is only one of the many cases in which the fingerprint has been found to be valuable as a means of identification. The Bowery Savings Bank uses the system to identify depositors where there is any doubt regarding them, but in the Williamsburg Savings Bank, where a large number of the depositors are either illiterate or foreign-born, fingerprints are extensively used, not alone for depositors, but for the officers and employees of the bank as well.

Of course, there are many who do not fully appreciate the protection that the fingerprint affords, not alone to the institution, but to themselves, and they frequently offer the objection that they are not criminals. To this the reply is made: "You are not, but the other fellow may be. The fingerprint is an honest man's best protection."

"The fingerprint is a scientific method of identification, and it furnishes absolutely sure proof," said V. A. Lersler, controller of the Williamsburg Savings Bank. "I believe the time is coming when fingerprints will be universally used for identification purposes, particularly in compiling vital statistics."

Fingerprints in Business

Mr. Lersler explained that several of the bank's employees who have charge of this system, had taken a course of instruction and were enabled to do the work quickly and well. The process of fingerprinting a depositor, he said, required only a few minutes, and the work of identification was accomplished much more speedily than through an interpreter in the case of foreign-born persons.

The Williamsburg Savings Bank has used fingerprints for several years, and during that time few depositors had raised any objection. In practically all cases this prejudice was overcome when it was explained how great was the protection to each depositor.

Fingerprints have been tried out successfully by R. H. Macy & Co., which was among the first big commercial houses to adopt the system. Asked whether all employees of the store were required to have their fingerprints made, H. E. V. Kersburg, employment manager, explained that as yet this was not the case.

"We take the fingerprints of only certain classes of our employees," he said, "and I should think that they represent about 10 per cent. of the total."

One of the industrial concerns to adopt the method recently was the Pierce-Arrow Motor Company, which has instituted this system of identification in its plants in Long Island City and Manhattan. The method is used also by the Carnegie, Cambria, and Minnesota Steel Companies.

That fingerprints are by no means an innovation is pointed out by Mr. Tittle, who quotes Professor Laufer of the Field Museum of Chicago as authority for the statement that they were used by the Chinese and Japanese at least a thousand years ago.

"For the same reason," says Mr. Tittle, "they were used in India, where the Government frequently lends money to the cultivators of opium. To prevent them successfully denying their signatures, both they and the middlemen are required to register their fingerprints at the time of receiving their loans. Formerly pensioners who died were impersonated frequently by friends and relatives trying to draw their allowances. There were impersonations in the Government examinations the same as there are in our own country to-day. But now the use of fingerprints protects both the Government and the honest people.

"In the Argentine Republic every honest, lawabiding person is glad to have in his possession an identification card on which are his fingerprints. Fingerprints are used extensively in many European countries, and we owe to England the system of classification worked out by the late Sir E. R. Henry, and known as the Henry System, which was introduced into the Police Department of New York City by Inspector Faurot.

NEW YORK AVERAGES

Industrials Now on Best Level Since August 1917

NEW YORK.—The average price of 20 industrial stocks compiled by Dow, Jones & Co., at the close, Saturday, 92.48 was the highest since Aug. 13, 1917, when they stood at 92.65. Saturday's average, compared with the last low point, 79.15, made Feb. 8 this year, shows an advance of 13.33 and compared with the record high since Dec., 1914, 110.15, made Nov. 21, 1916, it shows a loss of 17.67. Low average since Dec., 1914, was on Dec. 24, 1914, when it closed 53.17.

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Capital Authorized - - $10,000,000
Capital Paid Up and Reserve 7,800,000
Total Assets over - - - 57,000,000

BOARD OF DIRECTORS:
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Incorporated - - 1855
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The Molsons Bank is helping many merchants, manufacturers and farmers to carry on their business, which without financial help could not be developed.

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Tires for all purposes. Mechanical Rubber Products and General Rubber Specialties.

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MARKET RECORD SHOWS THE STABILITY OF BANK STOCKS FROM THE INVESTMENT STANDPOINT

Position Well Maintained During Uncertain Period of War

REVIVAL IN 1918

Signing of the Armistice Had Immediate Effect on the Market and Prices Have Continued Strong

THE outstanding feature of the Canadian banking system is, undoubtedly, its stability. The manner in which financial crises have been weathered, and in which the strain of the war has been withstood in the interests of national and industrial financing, are evidences of this. Such stability and the guarantee of security entailed is of the highest importance in the interests of the depositor. Also it finds first consideration with the investor in bank stocks. And Canadian bank stocks have always held a high place in the grading of values by the sensitive "ticker" of the stock market, despite the fact that there is entailed a double liability in the event of failure.

As with all other securities, the war had its effect upon the bank stocks. This was to be expected. Apart from other considerations there was the broad readjustment in the market brought about by the increased demand for national funds by all Governments engaged in the war and the attendant rise in the value of money—a rise having a reflex effect upon the price of securities generally. Then the uncertainties of business, particularly the manufacturing industries, including munitions manufactories, and the unsettled state of domestic and international trade and commerce, had a direct bearing on banking operations and, therefore, on investment values—this, not to mention the double liability clause, the significance of which was emphasized as uncertainty increased. Under the circumstances, the wonder is, not so much that there were declines in the market for bank stocks, but rather that such declines was not much greater than were actually the case. The performance of the bank stocks throughout the war indicated that public confidence was well maintained, and that confidence has been fully justified.

Comparative Record of Bank Stock Prices

Banks—	High price since 1910	Date	High July 1914	Prices at the end of 1916	Prices at the end of 1917	Prices at the end of 1918	Present price
Commerce	237	May, 1911	205½	185¼	184¾	202	204⅞
Dominion	242	Jan., 1913	230	209	202	208	207½
Hamilton	212	Jan., 1913	202	190	184	188⅛	185¾
Hochelaga	180	Aug., 1912	151	145	140	143	143
*Home	...	....	...	...	...	...	...
Imperial	229	Dec., 1912	218	199	185	203	199
Merchants	201	Jan., 1913	186½	168	167	181	202¼
Molsons	209	June, 1911	202	184	179⅞	179⅞	198
Montreal	270	Aug., 1911	235	229	210	216	220
Nationale	149	July, 1917	132¾	134	148½	148	148
Nova Scotia	278½	Mar., 1912	265	256	248	255	269
Ottawa	210	Jan., 1913	207½	202	200	206	208
*Provinciale	...	....	...	...	...	...	...
Royal	241½	Mar., 1911	223	212	205	214	215½
Standard	239	June, 1912	220	214½	200	208⅜	204½
*Sterling	...	....	...	...	...	...	...
Toronto	217	June, 1911	212	190	184¼	191	200¼
Union	174	Feb., 1912	141	137	137	160	161
*Weyburn	...	....	...	...	...	...	...

*Not listed.

Record of Bank Dividends Since 1912

Banks—	1912	1913	1914	1915	1916	1917	1918	*1919
Commerce	10+1	10+2	10+2	10+2	10+2	10+2	10+2	12
Dominion	12+2	12+2	12+2	12	12	12	12	12
Hamilton	11	12	12	12	12	12	12	12
Hochelaga	9	9	9	9	9	9	9	9
Home	6	7	7	5	5	5	5	5
Imperial	12	12	12	12	12	12	12	12
Merchants	10	10	10	10	10	10	10	11
Molsons	11	11	11	11	11	11	11	12
Montreal	10+2	10+2	10+2	10+2	10+2	10+2	10+2	12
Nationale	7½	8	8	8	8	x9	9	9
Nova Scotia	14	14	14	14	14	14	14	16
Ottawa	11¾	12	12	12	12	12	12	12
Provinciale	6	6	7	7	7	7	7	7
Royal	12	12	12	12	12	12	12	12
Standard	13	13	13	13	13	13	13	13
Sterling	5	6	6	6	6	6	6	6
Toronto	11+1	11+1	11+1	11	11	11	11	12
Union	8	8+1	8+1	8+1	8+1	8+1	8+1	10
Weyburn	5	5	5	5	5	5	5	5

*Rate at present being paid.
xIncreased from 8% to 9% during the year.

The signing of the armistice—the gradual ending of the war—for the reasons briefly stated, proved the most important event in the market for bank stocks since the fateful days of August, 1914. The effect was immediate. Not only was there the general sentimental influence of the removal of war anxiety, particularly important in relation to a double-liability investment, but almost instant appreciation of the fact that the banks had been experiencing prosperous conditions, so far as earnings were concerned—and that these profits were now reasonably secured against the dangers of a military reverse. Of course, there still remained the necessity for precautions as against the period of readjustment, but the dangers of peace were after all, in the minds of investors, comparatively small, as compared with the dangers of war.

In the latter months of the year there was a strong revival of the bank stocks in investment favor. A number of very important advances were scored. The annual reports as they appeared indicated that those institutions which had financed wartime activities, such as munitions plants, had fared well. They had taken risks on the basis of comparatively high rates and, their judgment having been justified, there were substantial profits to show. In the case of the Bank of Commerce for example, in addition to a handsome showing of profits, there was a drawback of $1,000,000 from over-appropriations, which meant that during the war period there had been allowances made for contingencies to the extent of $1,000,000, which were now available as profits; at the same time it was understood that a goodly margin was still being maintained against any possible losses during the period of reconstruction.

In the accompanying table will be found a summary of the market situation since the outbreak of the war, with quotations at July, 1914, and the present prices; also quotations for the close of the three last years; in addition the high prices since 1910 and dates are given to form a basis for comparisons.

It will be found that in one instance only is the price higher now than at the outbreak of the war, or at any time intervening. In all other cases the high marks were scored in 1911, 1912, or 1913. This may be taken as an indication of the fact that although the banks are showing higher profits, the returns in relation to assets and investments are considerably lower.

Pre-War Levels Higher

Speaking generally, it will be found that prices were lower at the end of 1917 than at the end of 1916, but that there was a distinct improvement by the end of 1918, and some further advances have been made during the present year. Prices today, however, are not so high as they were at the outbreak of the war, despite the fact that earnings are better; this again reflects the fact that there has been a large expansion of assets and an increase in investments involved, while market values are comparatively, still depressed.

This depression of values is indicated by the higher available return on the investment at the present market. A typical case in point is the Bank of Montreal. In 1907 this stock returned only 4 per cent. on the investment. In 1912, five years later, there had been a change to a basis where a return of 4.89 per cent. was shown at the market price. By 1917 the price had declined until the return showed 5.33 per cent. and a year ago the readjustment had continued until there was a showing of 5.71 per cent. on the market basis. The change which has taken place since the outbreak of the war is indicated in the fact that the price has improved to such an extent that the yield has dropped to 5.45 per cent.

The attractiveness of the bank stocks from the investor's standpoint is not hard to understand when one studies the accompanying dividend record, which shows how well payments have been maintained during the past eight years. In only one case will it be found that the rate now being paid is lower than it was in 1912, while with a considerable number there has been a substantial increase.

Amalgamations a Factor

The splendid record of Canadian bank stocks from the investment standpoint should not be considered without some thought to the amalgamations which have taken place as a factor for stability. Despite the criticisms which may be offered from various standpoints, there can be no doubt that bank unions have been altogether for good, so far as the interests of the stockholder are concerned. As has been fully explained by Sir Thomas White, Minister of Finance, amalgamations are only permitted by the Government when they are regarded as being in the public interest. In other words, the competition in the banking field is so keen that only the big organizations with a broad system of branches, which will permit them to handle their funds to the best advantage at all seasons, can maintain efficient service and make profits, and the absorption of the smaller institutions has no doubt had the effect, in some cases, of removing a real danger of eventual failure.

Dividend Yields on Bank Stocks

Banks—	July, 1914 Div.	July, 1914 Price	July, 1914 Yield	April, 1918 Div.	April, 1918 Price	April, 1918 Yield	April, x1919 Div.	April, x1919 Price	April, x1919 Yield
Commerce	10+2	205½	5.85	10+2	185¼	6.48	12	204⅞	5.85
Dominion	12+2	230	6.08	12	202	5.94	12	207½	5.79
Hamilton	12	202	5.94	12	188	6.38	12	185¾	6.48
Hochelaga	9	151	5.96	9	140	6.42	9	148	6.08
Home	7	...	....	5	...	....	5	...	....
Imperial	12	218	5.50	12	186	6.44	12	199	6.03
Merchants	10	186½	5.37	10	167	5.98	11	202¼	5.44
Molsons	11	202	5.44	11	179⅞	6.11	12	198	6.06
Montreal	10+2	235	5.10	10+2	210	5.71	12	220	5.45
Nationale	8	132¾	6.01	8	148	5.40	9	148	6.08
Nova Scotia	14	265	5.28	14	248	5.64	16	269	5.94
Ottawa	12	207½	5.79	12	201	5.97	12	208	5.76
Provincial	7	...	....	7	...	....	7	...	....
Royal	12	223	5.38	12	208	5.76	12	215½	5.58
Standard	13	220	5.90	13	200	6.50	13	204½	6.37
Sterling	6	...	....	6	...	....	6	...	....
Toronto	11+1	212	5.66	11	187	5.88	12	200¼	6.00
Union	8+1	141	6.38	8+1	151	5.96	10	161	6.21
Weyburn	5	...	....	*7	...	....	7	...	....

*Increased from 5% to 7% during the year.
xMaximum price April 26th, or last price previous to that date.

THE BANKS HAVE GUARDED GREAT PUBLIC DEPOSITS

Continued from page 17

usual of the infirmities of the average public ownership theory. If every farmer were to secure all the credit he desired what a series of losses the local bank would meet! It is to the interest of the bank manager of to-day to grant all the credit he can safely in his community; he adds to the profits of his branch, and he swells the good-will felt towards him in the neighborhood, a very valuable asset. In most cases the man who would be accorded credit by the Government or local bank that the larger bank branch refused, would be a man who could not furnish the security for the loan, and a loss would result in a large percentage of cases through the inexorable law of averages. If the bank did not extend the list of credits given by the "branch" bank, where then would be the advantage to the community by calling in the State to establish a bank? And if losses ensued through a too generous or loose system of extending credits, how could the bank pay, and if it did not, who would be paying for the losses—for the absence of ordinary business prudence in dealing with applicants? And in the end what would be the advantage? The illustration admits of an almost "ad infinitum" extension.

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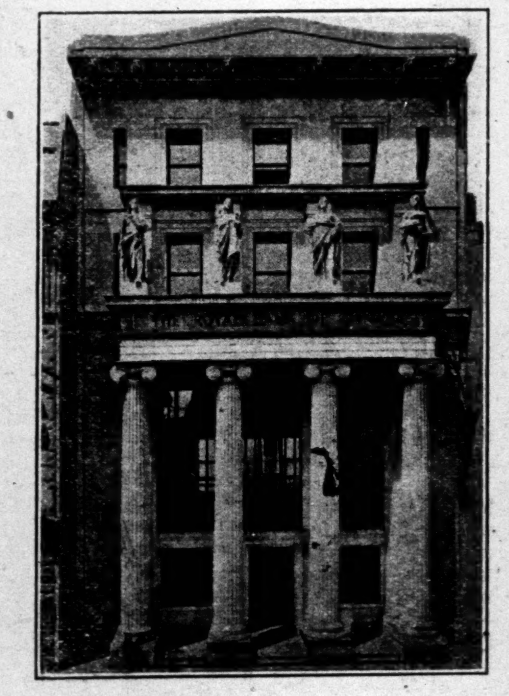

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CANADIAN AND AMERICAN BANKING INTERESTS ARE BEING MORE CLOSELY DRAWN TOGETHER

The Venture of Union Bank and Park Bank of New York

ROYAL IS PENETRATING

Control of Merchants National an Important Factor—Dominion Also Establishes in American Field

By J. H. HODGINS.

NEW YORK.—Presaging vital developments affecting the longer future Canadian-American banking relations of the passing year are more remarkable for what they suggest or portend than for the actual happenings of the moment. The events of the period have been conceived in the new spirit of internationalism, designed to cope with the broadening service offered by bankers who are alert in the fabrication of ambitious world plans.

No more interesting chapter in Canadian-American banking was written during the year than that concerning the united decision of the Union Bank of Canada and the National Park Bank in New York, to form a subsidiary corporation. This, the first working alliance consummated between an American and a Canadian bank, is significant of the strengthening of relations for the future of both institutions, and following a most intimate and friendly relationship between the two banks for almost fifty years, very satisfactory results seem certain to materialize.

The new formed subsidiary, the Park-Union Foreign Banking Corporation, it is understood, has been formed primarily for an exploitation of the Oriental banking field, an important step unquestionably in the Union Bank of Canada's efforts, "to build up an institution of an international character, which will provide a financial highway for Canadian trade with foreign countries and give the bank's customer's unrivalled service," as Mr. John Galt, the president, has remarked.

Royal's Penetration

Coming in a year when the Park-Union's alliance was reached, the further penetration of the Royal Bank of Canada interests, by which the syndicate representing the Canadian institution becomes more fully the dominant element in control of the Merchants National Bank in New York, a historic institution, is of unusual significance. A year ago, it will be remembered that the Royal Bank, by the purchase of one share more than half of the capital stock, secured controlling ownership of the Merchants National Bank in New York. Very lately it became known that through the acquisition of a further 15,000 shares, the interests representative of the Royal Bank of Canada had become "solid," and it is apparent that from now on the destinies of a bank since 1803, essentially American in character, would be under Canadian direction. From the Canadian banker's viewpoint the acquisition of the Merchants National Bank by the Royal Bank of Canada is notable, because it suggests the building up of domestic banking relations, which are not permitted the agency of a foreign bank in New York. Using the Merchants National Bank as its legitimate medium, the Canadian institution may design a program for the furtherance of public deposits, whereas a Canadian or other foreign bank in New York is not allowed to accept American deposits, but merely to transact business for international account.

Another Link Forged

Another link in the Canadian-American bank chain was forged when the Dominion Bank opened a New York agency during March. With the advent of the Dominion Bank in the Wall Street district, seven Canadian banks became represented with direct agencies, and it would not be surprising to find other Canadian banks establish direct New York connections in the early future. The Montreal, Commerce, Royal, Merchants, Nova Scotia and Union established prior to the Dominion Bank, the Montreal being the pioneer, having organized its New York Agency some 64 years ago. The Bank of British North America had an agency in New York until its amalgamation last autumn with Bank of Montreal, which eliminated it as a separate identity from the New York field. The Standard Bank of Canada virtually has its N. Y. agency in that it is a shareholder in the American Foreign Banking Corporation. The Royal Bank of Canada and the Canadian Bank of Commerce alone among the Canadian banks possess their own homes in New York City. The Royal, early in 1919, purchased, for a price in excess of $1,000,000, the 15-storey building at the corner of William and Cedar streets in the Wall Street district, on the ground floor of which it has been located for some years, and the Canadian Bank of Commerce has lately acquired for $650,000 the Post Building, which it has occupied for 37 years.

Americans in Canada

American aggression in the Canadian field is less pronounced. There were various rumors of an attempt on the part of American bankers to win control of a French-Canadian bank last summer, but nothing definite ensued. Two influential New York banking institutions stand behind the recent "invasion" of the Canadian investment field. The National City Company, which has set up Canadian branches, is a subsidiary of the National Bank in New York, and now the Guaranty Trust Company, another important banking corporation with impressive foreign connections, has come in direct touch with the Dominion by linking up with an old established Montreal investment house. The "Guaranty News" in the connection comments: "The new company is a logical outgrowth of the changed financial situation growing out of the war. Canadian financing has heretofore been done largely in England. American capital invested in Canadian enterprises is expected to increase from this time forth."

Canadian Sympathies

The National City Bank, always sympathetic towards Canada, was outspoken in this regard during last autumn, when, through its "house organ," it made an energetic plea for the extension of an American credit to offset the unfavorable position of Canadian exchange in the New York money market. "It is hardly too much to say that we should be as interested in facilitating financial relations with Canada as between different sections of this country," was the open attitude of this foremost American bank.

Just recently there appeared an item in the daily press that $235,000 in gold bars had been shipped from the sub-treasury in New York to Canada. No matter the reason for the individual shipment interest attaches to the export for the reason that it was an isolated case—so little gold has moved from the United States toward Canada of recent months. This is probably the most important single movement since the war stopped. Early in the war period millions were moving daily—the usual flow being from Ottawa to New York, however. The high record for a two weeks' period was in June, 1917, when in nine days a total of $90,000,000 in gold reached New York from the Dominion. The only important gold movement of the period under review occurred last June, when an aggregate of $30,000,000 was transferred from Ottawa to New York. This was "earmarked" gold, held in Ottawa, on deposit with the Bank of England for account of the Federal Reserve Bank in New York. This gold deposit arose from the liquidation of the loan which a syndicate of British banks in London obtained from United States bankers early in the war period. When it was paid off it was deposited in the Bank of England and the Federal Reserve Bank settled with the creditor institutions in the United States.

Adopting Canadian Ideas

Since the enactment of the Federal Reserve Act at Washington there has been a decided strengthening of the Canadian branch bank idea in various guises. Not that there have not arisen critics at the same time. For instance, Andrew J. Frame, president of the Waukesha National Bank of Waukesha, Wisconsin (a small sized institution in the light of Canadian banks) made his presence felt at the Colorado Bankers' Association convention by his vigorous attack on the branch bank system. However, the idea is gaining in this country, just the same. Trust companies and state banks in New York, Boston and Detroit may establish branches within their own state, and now the national banks are agitating for similar privileges.

Trade Acceptances

The development of the trade acceptance, which has been energetically furthered by the Federal Reserve Banks, has been the outstanding feature of American banking in the past year. Long a fundamental prop of the Canadian banking system, Canadian bankers in New York lent invaluable assistance in the educational campaign. Geo. Wilson, when New York agent of the Union Bank of Canada, published an extremely helpful book on the subject of the "Trade Acceptance; Canadian Practice," which was widely distributed by American banks and Trade Acceptance organizations.

In connection with the acceptance business it may be pointed out that this form of credit has grown rapidly and substantially in the United States. It is estimated that about $800,000,000 in acceptances were outstanding at the commencement of 1919, compared with $500,000,000 in the previous year, and $200,000,000 in 1916.

The scope of the trade acceptance in this country may be judged from the recent survey placing the value of business in the United States in the year 1916 at $595,000,000,000.

CHRONOLOGICAL REVIEW OF CANADIAN BANKING RELATIONS WITH THE UNITED STATES THROUGHOUT PASSING YEAR

Date	*Event*
1918.	
April	—Liberty National Bank in N.Y. receives $120,000 in gold bars from a Canadian bank, with request that it be converted into American double eagles; unique banking transaction.
May	—New gold flow from Canada; U.S. receives $30,000,000 from Bank of England (Ottawa) of "earmarked" gold.
June	—Guaranty Trust Co. declares Canada's war record is "a summary of her promise."
July	—An American bank reported to have sought control of a French-Canadian bank; failed.
September	—National City Bank in N.Y. pleads for extension of credit to Canada. Canadian dollar "pegged" at about 2 per cent. in New York.
November	—Amalgamation of Bank of Montreal and Bank of British North America eliminates separate agency of latter in New York.
December	—Geo. Wilson, First Agent of Union Bank of Canada in New York, appointed an Assistant General Manager with headquarters at Toronto. National City Company, a subsidiary of the National City Bank, of New York, invades Canada. Union Bank of Canada and National Park Bank in New York after 50 years' intimate banking association, form subsidiary, "Park-Union Foreign Banking Corporation" to exploit the Oriental field. Geo. Wilson goes to Japan to establish Yokohama branch. F. T. Walker, senior agent of the Royal Bank of Canada in New York, declines vice-presidency of the new Discount Company of New York.
1919.	
January	—R. E. Jones, former New York Agent of the Royal Bank of Canada, becomes President of the Merchants National Bank of New York.
February	—Royal Bank of Canada buys for more than $1,000,000 a home for itself in New York City, corner William and Cedar Sts.
March	—Royal Bank of Canada syndicate secures further stock interest in Merchants National Bank of New York. Dominion Bank of Canada establishes a New York Agency. Seven Canadian banks now have New York agencies.
April	—Canadian Bank of Commerce for $650,000 purchases Post Building, which it has occupied since 1882 for its New York Agency. Final shipment from Canada of $5,819,000 gold marks the return of the original $52,500,000 which had been earmarked at Ottawa agency of the Bank of England for Federal Reserve Banks in the United States. Royal Bank party leaves New York for South America to establish branches in Rio de Janeiro, Brazil, Montevideo, Uruguay and Buenos Aires, Argentine.

GERMANS BUY DIAMONDS

An Advance in Market Value is the Result

WASHINGTON—There has been an advance of 25 per cent. in the last four months in the price of diamonds, according to the largest diamond-merchants in Holland. The reason for this increase is the activity of individual Germans who have been smuggling German bank notes to Holland and buying diamonds to take back to Germany. They believe that their own money represents less future value than diamonds. The consequence of these transactions, the value of the German mark in Holland is being reduced.

PROPOSES A NEW BANK FOR RUSSIA

Would be Located in New York and Note Issue Free of Government

NEW YORK.—Believing that the economic rehabilitation of Russia consists not only in the overthrow of the Bolsheviki, but in the reconstruction of her monetary system—the value of the ruble being considered now practically beyond redemption, A. A. Boublikoff, a former member of the Russian Duma, now in New York, puts forward the bold proposal of establishing a new Bank of Russia, which will temporarily have its headquarters and meeting place in this city. The capital is to be supplied by the principal Allied Nations, and ultimately, by Russia, upon the recognition by the Allies of an all-Russian Government.

In place of the ruble, the new monetary unit shall be the Russian franc, or "ross," equal in gold content to 1 franc. A "ross" is to be divided into 100 "sotka."

In drafting the outlines of a charter for the proposed Russian Bank, M. Boublikoff states that two ideas lie at the bottom of the project. The abuse of the right of issue, indulged in by the various Russian Governments, have brought things to such a pass that it is impossible to establish a new monetary unit that would enjoy general confidence, including that of foreign countries, unless that unit is fully guaranteed against the very probable attempt of the Russian Governmental authorities to turn to the issue of the new currency as a substitute for Government loans.

In view of this, the new Bank of Issue must in no case be brought into the circle of Russian Governmental institutions. It is not a matter of importance whether the stockholders of the bank are private individuals or Allied Governments, but it is absolutely essential, in order that the Russian Government should not be given the possibility of extending the limits of the right of issue beyond its dependence on the actual demands of the national business turn-over, that the bank should be private in form, and not at all Governmental.

The Russian ruble clogged up the channels of monetary circulation, and in the final result, lost its value; thanks entirely to the fact that there existed no means of bringing about the return of the rubles back into the issuing institutions. If energetic practical measures are not arranged to insure the flowing back of the new currency from business turn-over, this new Russian monetary unit will be in a still more dangerous situation for it will be subject to the effect of Gresham's law, i.e., it will be hoarded by the population and forced out of circulation by the "baser" money—the ruble. The only sure means of drawing out the new monetary unit from the population is provided by foreign goods.

LOANS TO FARMERS

The U. S. Government Has Advanced Nearly $200,000,000

WASHINGTON.—The Government has lent nearly $200,000,000 to farmers, according to a statement of the Farm Loan Board. Farm loans aggregated $15,946,277 in March, which sent the total up to $198,608,626 as the amount lent since the creation of the system. March loans were distributed among 4,630 persons. This is a slight increase in the number of individual loans as compared with the previous months, the figures show. Since the board was organized, 79,949 separate loans have been made by the 12 banks. Omaha's Land Bank leads in loans closed during March, with $4,565,850. The St. Paul Bank was second, with $1,893,200.

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RELATIONS OF THE BANKS AND STOCK EXCHANGE

Call Loans Facilitate Operations of Investment Traders

CAPITAL AVAILABLE

Funds Are More Free Since Signing of Armistice, But at No Time Was Attempt Made to Call Loans

By H. H. BLACK.

THE relations between the banks of Canada and the Stock Exchanges may be described at the present time as most cordial. The war time pressure upon the banks to provide huge credits for essential purposes naturally compelled them to lay a restraining hand upon the loans they were able to make the brokers on pledged securities. Not that there was any real tendency to "call" the loans but they were kept at a minimum, so that the Exchange might continue to function as a market for the investor, while fresh borrowings on behalf of would-be speculators were rigidly discouraged.

It is true that the banks responded in 1916 to the boom in business on the Exchange and call loans ran up to $90,000,000 in October of that year, but thereafter the restraining hand was exercised firmly to the end of the war, and call loans receded with the steady liquidation of margined accounts that extended throughout 1917 and for a large portion of the past year. It was the growing availability of private funds for the past year or more, rather than any decided increases in bank loans, that rendered speculative trading somewhat easier. With this condition went hand-in-hand the tendency of the carriers of stock on margin gradually to wipe out balances owing, and lay securities aside, 100% paid up. This lessened the requirements of the brokers and the totals of the call loans outstanding.

Call Loans and Trading

Only to a limited extent does the volume of call loans reflect greater or less activity on the market. A graphic chart of call loans and stock exchange sales shows actually and relatively far more fluctuations in the sales than the loans. There was an upward curve in 1912 and 1913 in both, but comparatively little drop in 1914 when sales dropped to a zero quantity in the closing of the Exchange. The curve went up in 1916—with returns—but was rather lower the next two years, and even now is not back to the high of 1916 so far as call loans are concerned. There is always, of course, even when the Exchange is closed, a large volume of securities that the brokers depend on the banks to carry: a prolonged quiet shows a tendency for the margins to be liquidated, and call loans to shrink.

Even a period of great activity on the Exchange does not necessarily mean greatly increased call loans, as, in the absence of new securities coming on the market, sales mean simply a transfer from one broker's office and account to another's: where many new securities are launched and sold in large securities, call loans would at once have to be enlarged to cover the balance owing.

Interest Stays at 6 per cent.

In spite of plentiful money, and slightly decreasing interest rates, the banks have shown no tendency to lower the rate of 6 per cent. that has prevailed for about ten years, although private money, at real "call," is fairly easy to secure at 5½ per cent., and some at 5 per cent. The brokers' charge to the client seems likely to remain as before, 7 per cent., leaving a margin of profit of 1 per cent., which theoretically covers "overhead" expenses, leaving commissions as profits. But this seldom works out except in some of the largest and busiest offices that deal in totals of many million dollars of loans. Nor is there any likelihood of the practice of the banks to lend up to 80 per cent. or so of the market value of the securities, being altered.

Trying for "call" Market

From time to time there is talk of the brokers banding together and compelling the banks to organize a real "call" loan system, where the money would be "called," but subject to fluctuations, anywhere from 2½ to 6 per cent. The stationary system of a per cent. rate—without any "calls" being made often from one year's end to the other—stands as strongly entrenched as ever.

Accompanying are records showing the ratio of call money to current loans—the latter usually standing at least ten to one, and at the last report—for which—at about 13 to 1.

RELATION OF CALL AND CURRENT LOANS

July	No. of Banks	Call Loans	Current loans	Vol. of trading (Shares for year)
1910	30	60,081,256	653,008,336	2,361,740
1911	[illegible]	65,339,288	723,765,358	2,646,975
1914	[illegible]	68,441,816	840,198,625	• (5 mos. closed)
1915 (Ja...)*	[illegible]	66,154,891	770,118,911	*1,842,213
1915	[illegible]	71,168,233	758,349,517	(same as above)
1916	[illegible]	87,355,648	740,000,000	4,306,745
1917	[illegible]	71,376,788	829,560,700	*1,096,219
1918	[illegible]	74,382,762	905,677,233	*1,108,896
1919 [illegible]	[illegible]	87,598,427	1,080,340,861	....
1919 ([illegible]	19	87,601,337	1,117,197,446	....

[illegible]treal alone.

BANK OF ENGLAND YIELDS WAR PROFIT

Agrees to Account to Government for All Excess, Including Last Half Year

LONDON.—It has been announced that the Bank of England has decided to make no profit out of the war. During the last four years the bank has carried through many transactions on behalf of the Government, and the impression is general that the bank has made a good thing out of the business it has done.

It was stated in the House of Commons that the bank has agreed to account to the Government for all of its excess profits up to and including the half year just ended. It is hardly possible that this report will be made public.

The domestic concerns of the Bank of England are among the best kept secrets of the world. The only accounts ever issued of the bank's affairs are those published weekly, and even in normal times these statements reveal little, and during the war have told absolutely nothing.

An announcement is made each half year regarding the profits and dividends declared by the bank. The profits invariably amount to about £50,000, while the dividends are standardized at 10 per cent. for the year. From 1897 to 1903 they have stood at 10 per cent., and from 1904 to the middle of 1913 they were 9 per cent., tax free, and since that time have come back to 10 per cent., minus the tax. The capital of the bank is £14,553,000, and has not changed since the year 1816.

It is common knowledge that, like other banks, the earning power of the Bank of England during the war has largely increased, but it has been understood that all of the additional profit has been used to hold down investments.

If the statement is true that the bank intends to turn back to the Government all war profits, it would mean that all of the profits above the normal figures quoted above would revert to the Government.

LIMITATION A FALLACY

Greater Production, More Commodities for Individual

By FREDERICK C. GOODENOUGH, Chairman Barclay's Bank.

It is also essential that conditions, both as regards cost of production and labor, should be such as to enable profit to be made, because, if wages reach the point where they eat up all profits, the funds available for direct taxation on its present basis will disappear, and with it the trade on which the profits are earned and in consequence the livelihood of the people employed in that trade. In other words, production will be prejudiced, and it cannot be too strongly emphasized that the greater the volume of production, the larger will be the proportion of actual commodities which will fall to each individual. On the other hand, any reduction in product, whether caused by inability to sell profitably or by wilful limitation of output, affects alike the poor and the rich, the employer and the employee. The problem is, therefore, one which the wage-earner should study and understand. He should endeavor to realize the fundamental fact that, as a nation, we can only consume to the value of what we produce, and if production falls away then there will be less to go round, with the consequence that each individual will not only live on a lower scale, but he will have to pay more for the things that he does obtain. Profits are, therefore, essential, for, apart from the important considerations mentioned, they afford the basis of direct taxation, and it is only by maintaining profits at a reasonable level that the wage-earner can be largely exempt.

Commercial failures last week in the United States, as reported by R. G. Dun & Co., were 125 against 148 the previous week, and 105 the corresponding week last year. Failures in Canada number 13, against 8 the previous week, 15 the preceding week and 11 last year.

ENGLAND MAKING EFFORT TO RETURN TO GOLD STANDARD

Much Criticism is Heard of the Prevailing Inflation

THE BANK SITUATION

Amalgamations Indicate an Effort of Financial Institutions to Adapt Themselves to New Conditions

LONDON.—The old, old cry, "Get back to the gold standard," is being raised again in England amid bitter criticism of the inflated condition of finances due to treasury notes. An official announcement has been made in the House of Commons that more than $1,657,000,000 treasury notes have been issued by the Government, which means an addition to the circulation of nearly $1,300,000,000. Curiously enough this vast expansion of currency was said to have been necessitated by the rise in prices, but in many quarters it is held that such inflation of the currency has been an important factor in sending prices up.

The question has been brought up time and again in the House of Commons as to whether the banks make money by the process of multiplying book credits, which in normal times are checked by the fear of creating a pyramid of credit which might prove dangerous to the stability of the banks. During the war that check has not been in operation because the Government, to a certain extent, has guaranteed the banks against bankruptcy.

Great Britain now has removed the control from new capital issues, that is issues of capital stock for companies existing within the empire, but the existing control upon issues outside of the kingdom will be subject to license. This has been done for the purpose of adding new life to trade and industry which has been hampered by Government restrictions on the distribution of capital, but concerns contemplating new financial ventures are seriously alarmed by the vastly inflated condition of the country's currency and are urging that the treasury should hasten to call in the excess of currency notes, while at the same time causing the banks to diminish the creation of their own species of money.

Disaster is Foreseen

The experience of recent years, however, has demonstrated the absurdity of all monetary theories based upon the metallic conception of money. Commercial intercourse is recognized as the origin of money, and the State under certain conditions may force its subjects to accept its notes, although such notes never would enjoy the same credit outside the country as a note solidly backed and convertible into gold. With the whole system of British industry clamoring for facilities to get into the world's markets the British Government is realizing to-day that attempts to substitute paper money having only the guarantee of the State sooner or later will result in disaster.

The problem of restoring a gold standard has been rendered difficult by the troubles endured by the gold mining industry during the war. The production in 1918 was reduced by nearly $100,000,000, and the question arises whether the available stocks of gold are sufficient to serve as a reserve for the paper circulation and at the same time to back up international commerce as in the past.

In view of the wonders, almost miracles, that have been performed by the British financiers during the war it would seem that even with the reduced output of gold this metal can be made a good and sufficient backing. It has been proposed by an eminent banking official in London to withdraw a good portion of the gold from circulation to create a balance between the pressing demands from the banks, which are trying to reinforce their gold reserves on the one hand and on the other from countries wishing to adopt the gold standard. It is believed that the decrease in gold production will disappear as soon as normal conditions are restored, but if this expectation should not be realized the consequences to the financial systems of both Great Britain and the United States may be serious.

Urges That Borrowing Cease

According to conditions, the role of currency in commercial intercourse has been exaggerated and the example of South America is cited as showing how a country may develop itself commercially in spite of a defective monetary system. On the other hand, English capitalists are certain that the country which first succeeds in reorganizing its currency will be able to obtain a large share of international business, and it is this theory that drives Britain forward to-day toward such a reorganization. A committee appointed to study the problem has reported some interesting proposals which cannot fail to have a marked influence upon the decision of the Government. The committee insists upon the immediate cessation of borrowing operations on the part of the Government, as one of the best methods of re-establishing normal currency. It also strongly recommends the maintenance of the gold standard and the return of the monetary organization as it existed before the war, subject to the modifications suggested by war experience.

For some time to come gold will not be put into circulation again, but the total gold reserve of the country will be concentrated in the Bank of England. To prevent its withdrawal for internal circulation and at the same time to maintain the principle of convertible notes it is suggested that they should be exchanged only against bullion, not against minted coin. As soon as possible all this vast flotation of currency notes will be replaced by Bank of England notes which will be entirely covered by gold with the exception of a certain balance established by the last four years' experience. After the Bank of England has succeeded in maintaining a minimum reserve of $7,500,000,000 the limit of uncovered notes will be fixed. This figure of $7,500,000,000 is taken as the approximate amount of gold in circulation before the war, and although this sum seems rather high the fact of the matter is that the circulation guaranteed by this reserve will be far higher than was thought possible before the war.

It is even possible that the United Kingdom may adopt a system similar to the Federal Reserve Bank system in the United States, which under difficult conditions has worked satisfactorily and is the subject of much favorable comment in English banking circles. It is not certain, however, that the American system of substituting bank notes for checks can be regarded as a wise plan in Great Britain. The Bank of England places proceeds to the credit of its clients, who draw on the bank by checks, and as this system has survived the test of war, it is believed to be the best. In 1913. London was the only free market for gold, and the prompt re-establishment of that condition is considered of vital importance.

The British banks have done their very best to adapt themselves to the new state of things in the United Kingdom and the Empire, and have attempted to strengthen their position either by increasing their capital or by amalgamation, which latter process has eliminated, or greatly reduced, competition. Concentration among

Continued on page 24.

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The Bank of Hamilton is the bank of the people, and stands behind the legitimate development of every form of Canadian industry.

At the Annual Meeting held on 21st April, the following comparative figures were placed before the Shareholders:—

	1919	15 Months 1917-18	1916
Total Deposits	$64,377,058	$53,359,981	$45,398,174
Demand Deposits	22,798,810	16,771,669	10,927,818
Savings Deposits	41,578,247	36,588,311	34,470,355
Notes in Circulation	5,354,902	5,127,111	4,409,351
Reserve Fund	3,500,000	3,300,000	3,300,000
Cash Assets	14,459,766	13,216,799	10,312,953
Dom and Prov. Gov. Secs.	2,263,946	3,295,775	569,458
Can. Br. and For. Secs.	8,498,738	7,541,280	6,635,336
Quick Assets	35,996,481	29,616,152	22,004,366
Current Loans	43,637,328	33,134,198	31,995,961
Call & Short Loans in Can.	4,421,377	3.487,456	3,844,635
Total Assets	77,404,120	66,541,680	57,163,344

J. P. BELL, General Manager

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MORE ATTENTION IS BEING PAID TO EXCHANGE

Question Becomes of Increasing Importance as Export Trade Grows

CANADA'S POSITION

Occupies Rather a Peculiar Place by Reason of the Necessity of Buying Exchange Through New York

By W. A. CRAICK.

WITH the recent loosening of those restrictions which were imposed under the abnormal conditions prevailing during the war, foreign exchange has entered upon an entirely new phase. Particularly is this true of Canada, for during the war-period the Dominion has so greatly extended its trade connection with foreign countries that the question of exchange is to-day of far greater importance than ever before. Prior to the war, in spite of the daily employment of the machinery of exchange to facilitate the transfer of commodities between Canada and those countries in the old and new world with which she had business dealings, the subject was one very largely of academic interest. That is to say, fluctuations were, as a rule, so limited in extent, exchange rates were so firmly established that practical interest in the transaction was restricted to the operation itself and did not extend to a consideration of the potentialities possessed by the system.

Rates Were Stabilized

During the war a new element was introduced. This was the artificial stabilization of rates. So violent were the fluctuations produced in the early stages of the conflict, so disorganized were the usual channels of trade, that it became absolutely necessary to put machinery into motion that would maintain rates at or near par and thus prevent the complete dislocation of allied business. While a glimpse had been given of what exchange might do under unusual circumstances, so promptly was its power placed under leash that, for the greater portion of the war period, interest in the movements of exchange continued to be most perfunctory in character.

To-day, with restrictions removed. there are various factors which lend new interest to the subject. There is primarily the influence of premiums and discounts on the course of trade. Formerly movements were only slightly affected by the fractional changes in rates, but with the wider variations which have now appeared, the power of exchange to divert trade from one channel into another becomes very great. Consider, for example, the situation as between Great Britain and the United States. If the rate of exchange were to fall, say, to 4.00, this would mean that £100 worth of British-made goods, which would normally cost $486.66, could be purchased for $400. Concurrently $486.66 worth of American-made goods, which would normally cost £100 in Great Britain, would now be costing the British purchaser over £120. Such a situation naturally gives an incentive to British sales in America, while it retards American sales in Great Britain.

Equivalent to Tariff

It is thus to be noted that an exchange rate may serve the same purpose as a customs tariff in preventing goods from entering a country. If the rate on sterling should become stabilized at about 4.50, this would mean in effect that Great Britain's manufacurers would have a protection against American manufacturers of an ad valorem duty of about 8 per cent. while conversely they would be granted an 8 per cent premium on sales in the American market. It is a very nice arrangement, but unfortunately it must, for the present at least, be regarded as largely theoretical.

For some considerable time the rate of exchange between Canada and the United States has been favorable to Canada in the sense that it has imposed an added change on Canadian purchases in the United States, while it has placed an equivalent premium on the sale of Canadian products in that market. Under the circumstances it might be expected that imports would be so restricted and exports so enlarged that the rate would gradually revert to normal. That this has not been the case indicates that the Dominion continues to buy more from the United States than she sells to her.

Nature of Purchases

From the national viewpoint much depends on the nature of a country's purchases. If it is the essentials of life that are being bought in order to supplement domestic production, then the existence of a high rate of exchange must be regarded as prejudical to the interests of the purchasing country. If, on the other hand, the purchases are of non-essentials, it is a question whether it may not be a good thing to have a high rate. Since exchange between Great Britain and the United States was freed and the rate on sterling dropped, some apprehension has been felt in England over this very point. It has there been argued in some quarters that the removal of control was premature and that Great Britain's position in world finance has been prejudiced thereby.

This belief is based on the assumption that for some time to come Great Britain will be dependent on the United States for various essential commodities, on which the higher rate must be paid. In the meantime, her power to export goods, on the sale of which she would enjoy the advantage of the premium, is still limited, and it will be some time before domestic production can be speeded up to the point where exports in any large volume will be available. Thus, in both directions, Great Britain is handicapped by a condition which would normally give great encouragement to her manufacturers.

Canada's Position

Canada's position is a peculiar one, inasmuch as her delays in exchange with Great Britain, France and other European countries are carried on through New York and accordingly rates are affected by both the current rate between the United States and Canada, and that between the United cerned. In other words, sterling or franc exchange in Canada is a combination of the rate on sterling or francs in New York and the rate on New York funds in Canada. At present the high quotation on New York funds offsets, to a large extent, the discount on sterling in the United States and brings the Canadian rate on sterling to around 4.80. While Canada derives less advantage from buying British goods than does the United States, she is that much better off in selling her goods in the British market.

Part Played by Banks

The part played by the Canadian banks in handling exchange is all-important and will become increasingly so as our hoped-for export trade expands. Foreign exchange departments are now established departments of all head and numerous branch banks, and here the merchant or the manufacturer can secure those facilities for handling his foreign business, which are now so necessary. It is scarcely necessary to enter into a detailed explanation of the theory of exchange. Suffice it to say that it is a commodity that is bought and sold and is subject to the same laws of demand and supply as apply to practically all merchandise. The banks are equivalent to merchants buying exchange by the wholesale and selling it at a slightly higher price in such quantities as their customers require, prices being naturally governed by the size of the block involved.

HOW CANADA'S BANKING SYSTEM HAS SERVED INDUSTRY AND TRADE AND THE NATION DURING THE WAR

(Continued from page 17)

cised their privilege under the War Measures Act of increasing their circulation on securities as arranged under that measure and on the other that when the payments were made they were left in the shape of deposits. To a large extent the transaction would be one of bookkeeping between the accounts of bank customers on the one side and the account of the Government on the other. Thus we find that loan payments affected the balance owing in January 1918 to a considerable extent while again in November of the same year there was a rise to a remarkably high level. It will be noted, however, that in the months which have followed the Government funds have shown a decrease.

The financing of British Government orders has been on a more permanent basis but has been none the less important from the standpoint of war service. These Treasury bills have been included with Canadian municipal and British and foreign securities, which totalled only $22,500,000 before the outbreak of the war. The high point was reached in May of 1918 when there was a total of $269,000,000 and there has been but little reduction at any time since, the total at the end of March being $260,000,000. High lights of this Government financing are indicated in the following summary:

	Public Securities	Govt. Cecurities
Aug., 1914 ...	$ 22,836,239	$ 11,567,526
Aug., 1915 ...	34,955,836	14,099,773
Aug., 1916 ...	153,319,333	35,580,875
Aug., 1917 ...	176,249,192	142,483,388
Aug., 1918 ...	252,239,043	179,039,711
Mar., 1919 ...	260,003,939	115,180,320

On the other hand there has been no expansion in loans on bonds and stocks. In fact there has been a reduction from $66,000,000 at the end of July 1914 to $54,000,000 in March 1919 and this reduction is even more significant than indicated when the readjusted value of money is taken into consideration. The following table gives some indication of the developments in these three departments of bank credits, particularly during the past two years:

inflation but the process was countenanced by practically all nations during the war period. Besides, with the shrinking value of money there was necessarily a demand for a larger amount of currency to perform the same purposes. In July 1914 bank notes in circulation amounted to $94,800,000. At the end of March 1914, the total was $214,500,000.

In this connection it may be pointed out that in 1914 the amount of gold held by the banks and the Government amounted to $143,700,000 or 70 per cent. of the amount of notes of the banks and the Dominion outstanding, while at the end of January 1919 although there had been an increase to $63,100,000 in gold reserves the ratio had been reduced to about 48 per cent. The Bank of Commerce letter points out: "One the other hand, taking into consideration the total of Dominion notes, including those in the Central Gold Reserve, and of bank notes issued at the end of January last, the ratio of gold to notes was 39.6 per cent. as compared with 69 per cent. in July, 1914. In Britain at the end of December last the ratia of gold to notes outstanding was 25.6 per cent., and in the United States 65.7 per cent. The Federal Treasury of Australia has issued notes amounting to £57,035,000 against which it holds 40.4 per cent. or £23,228,000 in gold. While Canada's ratio of gold to currency compares favorably with that of the average belligerent country, her circulation per capita is relatively high. In view of this and similar expansion in Britain and the United States, the Minister of Finance has taken power to continue restrictions as to the export of gold!"

Date	Dominion & Prov. Govts.	Can. Municpal Brit. & Foreign	Bonds and Stocks	Total	% Sec. To all assets
1914					
July	$ 11,677,000	$ 22,554,000	$ 66,395,000	$110,726,000	7.6
1917					
January	63,697,000	163,299,000	61,304,000	226,995,000	11.7
February	100,018,000	182,808,000	62,691,000	345,518,000	17.4
March	110,876,000	178,893,000	61,431,000	351,200,000	17.3
April	113,592,000	178,624,000	58,913,000	351,131,000	16.6
May	93,837,000	178,833,000	58,160,000	380,831,000	16.0
June	95,504,000	167,769,000	59,334,000	322,608,000	15.8
July	134,085,000	182,461,000	59,297,000	375,843,000	18.1
August	142,483,000	176,249,000	58,894,000	377,608,000	17.7
September	142,698,000	176,015,000	58,763,000	377,497,000	18.0
October	191,939,000	172,639,000	56,890,000	421,469,000	18.7
November	195,508,000	218,405,000	56,214,000	470,128,000	20.2
December	188,703,000	224,093,000	55,609,000	468,406,000	20.1
1918					
January	127,310,000	235,989,000	55,830,000	419,129,000	18.7
February	113,725,000	242,256,000	57,459,000	413,441,000	18.4
March	101,458,000	250,423,000	57,552,000	409,432,000	17.8
April	101,764,000	260,978,000	57,048,000	419,792,000	18.1
May	101,117,000	269,102,000	57,170,000	427,389,000	18.5
June	100,152,000	266,226,000	58,395,000	424,773,000	18.1
July	143,774,000	255,155,000	57,829,000	456,758,000	19.2
August	179,040,000	252,239,000	56,191,000	487,469,000	20.1
September	223,314,000	250,698,000	55,903,000	529,915,000	21.1
October	277,053,000	250,254,000	54,047,000	581,354,000	22.1
November	278,208,000	248,398,000	52,678,000	579,284,000	20.8
December	206,935,000	253,518,000	53,138,000	513,591,000	19.1
1919					
January	159,039,000	259,463,000	53,546,000	472,048,000	18.1
February	112,160,000	259,422,000	53,417,000	424,999,000	16.5
March	115,180,000	260,004,000	54,276,000	429,460,000	16.4

Reference has been made to increased circulation under the War Measures Act. This was in a sense States and the other countries con-

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NEW YORK.—The Hat, Cap & Allied Trades War Committee has hit upon a novel way of selling Victory Notes. With every $2,500 purchase the buyer gets a genuine "tin hat" gratis. As everyone will want a durable souvenir of the Great War it is pretty certain that many bonds in lots of $2,500 will be sold. And, although the steel helmets are a trifle out of style for spring wear, the committee expects to do a rushing business.

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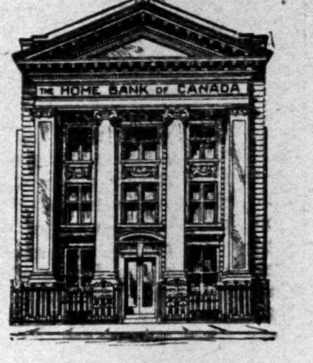
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CONNECTIONS
THROUGHOUT
CANADA

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FOREIGN
CORRESPONDENTS IN THE
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CITIES OF
THE WORLD

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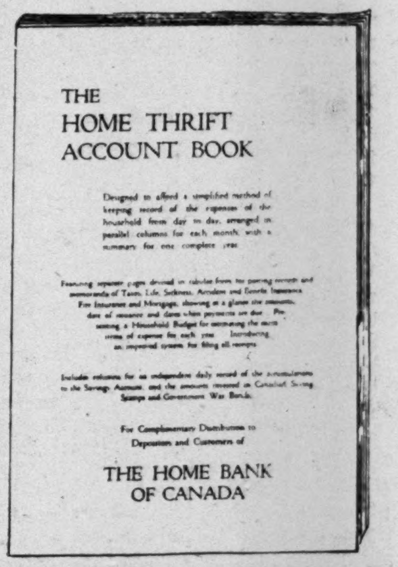

The
Bank of Nova Scotia

INCORPORATED 1832

CAPITAL - - - - - -	$6,500,000
RESERVE - - - - -	$12,000,000
TOTAL ASSETS, over	$160,000,000

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SIR THOMAS WHITE DEFENDS POLICY OF THE GOVERNMENT REGARDING THE BANK MERGERS

Statement of Minister of Finance Explains the Course Which Has Been Followed in Recent Years

IN BEST INTERESTS OF ALL PARTIES CONCERNED

Amalagamations Have Been a Benefit to Depositors, Borrowers and the Public—Objections Have Only Been of a Sentimental Character by Those Unacquainted With Situation

By SIR THOMAS WHITE Minister of Finance, Canada *

UNDER the Bank Act Parliament has expressly authorized the amalgamation of banks subject to certain safeguards which were deemed advisable in the public interest. The first safeguard is that no agreement shall be entered into between the boards of directors of two banks desiring to amalgamate without the consent in writing of the Minister of Finance. That provision was inserted in the last revision of the Bank Act. There is the further safeguard that before an amalgamation of banks is completed the Governor in Council must consent. So that, so far as the legislation is concerned, the interests of the public would appear to be reasonably safeguarded.

When the matter was before the Banking and Commerce Committee in 1913 it was recognized, as it had been before, that it would be inadvisable to 'prohibit the banks from amalgamating. The principle of the amalgamation of banks in proper cases was recognized, but in order to ensure that the public interest would be fully considered, a provision was inserted that the consent of the Minister of Finance was necessary.

There is no general rule, that one can lay down with regard to the class of bank amalgamations which should be allowed, and those which should be denied. It is a matter for careful consideration, on the part of the minister and the Government, of all the facts presented. There are four parties who are interested in cases of bank amalgamation. In the first place there are the depositors of the banks in question; in the second place there are the shareholders of the banks; in the third place the customers of the banks, and in the fourth place the general public.

The Ottawa-Nova Scotia Case

In a recent case of bank amalgamation there was a good deal of sentiment attaching to the Bank of Ottawa. Not only did the people of Ottawa have a certain sentimental feeling about a financial institution of the standing and strength of the Bank of Ottawa, but for myself I also disliked to see the Bank of Ottawa disappear as a separate entity. The feeling, however, was, entirely sentimental, and so far as I can gather now there is practically a consensus of opinion that what was done, was wisely done, and that none of the interests that I have mentioned, viz.: the depositors, the shareholders the customers or the general public, have been in any way disadvantaged, but on the other hand the whole situation has been benefited. Now the Bank of Ottawa's difficulty was that it was receiving money from depositors to a very large amount from month to month, and it had not the facilities, by reason of not having extended its branches throughout the various parts of the country like others of the banks, to keep that money successfully employed. Therefore, a question that arose was as to substantially increasing the capital, and also going to a very heavy expense in the establishment of branches through which the rapidly increasing funds of the bank could be loaned. During the last few years the discounts of the bank declined, while its deposits increased. Its investments, therefore—because it had to invest its surplus money in securities of various kinds—increased.

Now, while every bank should have a substantial amount of its funds invested in high class securities, the primary purpose of a bank is to loan to the commercial and agricultural community. The Bank of Ottawa, therefore, was handicapped in that important respect. The Bank of Nova Scotia, is one of the [illegible] carefully managed and most po[illegible] institutions in Canada. At c[illegible] points, and those in the la[illegible] where there was ample [illegible] accommodation and conseq[illegible] competition among the b[illegible] there, was there any [illegible] of branches. In oth[illegible] ever there was a na[illegible]ion for the purpose of serving the public throughout the Dominion of Canada, it was the amalgamation of the Bank of Ottawa with the Bank of Nova Scotia. The Bank of Ottawa has its branches largely in the Ottawa valley. It gathers up large sums there in deposits, and, it is desirable that those funds mobilized in that way should be made available to be loaned in other parts of the country where there is a greater demand for money.

In Interests of All Concerned

The amalgamation was, I submit, a benefit to all the four interests mentioned. In the first place, no one can say that the depositors of either bank are in a less advantageous position than they were before; a powerful bank has been formed with the combined resources of the Bank of Nova Scotia and the Bank of Ottawa as security for their obligations.

There is no question in my mind that the customers of the bank will be as well served. because it will be to the interest of the Bank of Nova Scotia to continue the business with the customers of the Bank of Ottawa through the offices which it takes over; that is a valuable business. The impression seems to prevail that it would be of some interest to a bank to withhold funds from commercial or other customers; on the contrary, no bank can possibly succeed unless by lending its money to those customers. Therefore it is an object to any bank not only to maintain, but to increase the number of customers, and a bank would be justified in paying a substantial sum for the business which it had taken over at any branch of another bank, if it could obtain it.

So far as the shareholders are concerned they are capable of having proper regard for their own interests, and if the shareholders of the Bank of Nova Scotia and the shareholders of the Bank of Ottawa both agree that this is a proper course to pursue, he would be a bold man who would say that any objection could be raised on that score.

There remains the question of public interest. I have shown that there was practically no overlapping, that the two banks formed the natural complement, so to speak, the one to the other, and that there will now be made available through the branches of the Bank of Nova Scotia in the West, and other branches which they will establish, the fund which the Bank of Ottawa was unable to loan to mercantile and agricultural customers.

Now, there is another aspect of the matter. Conditions of world trade have been greatly changed by the war. During the war Canada developed great manufacturing capacity and output; to-day she is faced with heavy obligations due to the war; and it is, I think, the duty of the Government and of the people to increase so far as is possible our export trade both in manufactured goods and agricultural products. In connection with the carrying on of export trade it is very necessary that banking facilities should be afforded. Those facilities can only be afforded by the establishment of branches in the principal world centres or in the countries with which that export trade is to be developed. The smaller banks are not in a position to establish those branches. The larger banks can establish branches in London, Paris, New York, Chicago, and Vladivostok. An amalgamation which instead of two banks produces one very much stronger than either, makes it possible for that new bank to establish branches for export business which could not be so well established by either of those banks separately. I think that one of the reasons for the tendency to amalgamation of banks, which is manifest not only in this country but in a very much greater degree in Great Britain, has arisen from the necessity of providing for national purposes strong financial institutions, capable not only of serving domestic needs but also of promoting and facilitating export trade.

Since 1913 I have had before me as Minister of Finance a number of applications for amalgamations of banks. In some cases I have thought it in the public interest and have not hesitated to give my consent; that is my duty under the Bank Act; in other cases I felt it my duty, having regard to all circumstances, to withhold my consent. And that is the policy that must be followed by myself or by my successor. It is peculiarly the province of the Minister of Finance to consider the public interest. If he reaches the conclusion that an amalgamation is not in the public interest—he should refuse his consent. If it appears to him clear that not only is it not against the public interest, but in the public interest, he should not hesitate to give his consent.

Take the bank amalgamations of recent years. It is true that until 1911 there were not so many as there have been since, but the tendency which I have mentioned was not so much in evidence at that time. Nevetheless, there was a number of bank amalgamations sanctioned during that period. I do not recall any bank amalgamations in the past to which serious objection can be taken. Among those which have taken place within the last two or three years was the absorption of the Traders Bank, in Toronto, by the Royal Bank. Some objection was made at the time, but I think the consensus of opinion is that the banking situation was strengthened and that the public interest is better served by the Royal Bank than was the case before, because the Royal was a much stronger financial institution than the Traders. So far as I am aware, they have carried on with entire satisfaction to customers and to the public generally the business which was formerly carried on by the Traders.

Other Recent Mergers

Last year the Bank of Montreal took over the old established Bank of British North America. As long ago as 1912 that matter was brought to my attention by the directors of the Bank of British North America. The shareholders of that bank were English shareholders; the directors desired to amalgamate with the Bank of Montreal. At that time it did not appear to be opportune that the amalgamation should take place. After the war broke out and financial conditions were rather radically changed in Great Britain, the request was again made that we should permit the amalgamation. Having regard to the fact that the shareholders were English shareholders, that the board of directors were in London, that there was a practically unanimous opinion over there in favor of the amalgamation, that the Bank of Montreal was a very powerful financial institution, that it was clear that no detriment—indeed, that only advantage—would result to the public from the carrying out of the proposed change, the Government, after giving the matter full consideration, had no difficulty in reaching the conclusion that consent should not be withheld.

Similarly, the Northern Crown Bank, a Winnipeg bank, was taken over by the Royal Bank. I know that that strengthened the financial situation. The Northern Crown Bank was a good little bank, reasonably strong financially; but it had not the facilities for expansion, and its absorption by the Royal Bank was a good thing for the shareholders of the Northern Crown and of the Royal and for the public generally.

* [illegible] few eliminations, the statement of the Minister of Finance in the House of Commons, April 2, 1919.

BRITISH COMBINATIONS

Financial and Industrial Unions Are in Progress

By FREDERICK C. GOODENOUGH, Chairman of Barclay's Bank.

Whatever may be the changes to be brought about by the war—and there must be many—we still must recollect that this country does not produce all that it requires for the maintenance of the population, but must buy from abroad, and although through the war the component parts of the British Empire have been drawn together more closely and there is a growing tendency to consolidation and to mutual support for purposes of exchange of raw materials and of production, as well as for the financial handling of industry and trade, still Great Britain remains the centre and bears the greatest proportion of the burden of the debt arising out of the war. Our export trade, both foreign and Colonial, is, therefore, and will always be a vital necessity, so that we may purchase all that we are unable to produce ourselves, and especially raw materials. We must also have such profits from our industries and trade, so that besides buying what we require, we may have a margin for ourselves, and profits will provide, through taxation, the interest and sinking fund on our national debt. It is in order to organize the resources of the country for cheap production and facilities for trade so as to reduce costs without reduction of real wages or of profits that the combinations in industrial and financial institutions are now taking place. Apart from the profits of the soil, the profits which more than any other benefit the community as a whole are derived from foreign trade. Although we may individually grow richer or poorer through our internal or domestic transactions, or by shifting the burden of debt from one to another

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AGENTS

HOW THE CANADIAN BRANCH BANK SYSTEM GIVES SERVICE TO THE WESTERN FARMER

(Continued from page 17)

erned the experience and determined the policy of the average Canadian bank in its dealings with the West may well be set down here. One of these is that seldom is there established a limit to the loans that any bank manager may grant in any special district, nor has there ever been a limit set on the amount of money that any one bank or groups of banks have been willing to lend in the West as a whole. For the individual banker, as for a whole province, the only test has been as to whether the credit could be arranged with reasonable security to the bank. The very reverse has been the case among large manufacturing and other interests in the East: the "lid" has been shut down time and again on commercial expansion at critical times: the banks simply refused loans even to strong enterprises. The Western farmer has been exempt from the application of any such policy.

In the average small bank of the West the credit given often exceeds the deposits received. This is especially the case where the harvest has failed one year and the farmer has had to be "staked" by the bank for the next, or even for the third in succession, and a ratio of three times the credits to the deposits is an ordinary condition. This is significant in relation to the claim often made, that a local bank would serve the district far more efficiently and fairly than a branch of a strong central organization. The bankers claim that by far the greater portion of the credits granted in Western Canada have been furnished by the business, profits or deposits, of the Eastern branches.

Do Not Pay for Years

Moreover, many banks opened up in small communities do not pay for years; sometimes they are carried permanently at a loss. An official statement of one bank shows that of 93 purely country branches, 60 were not paying expenses; that is, almost two-thirds were being operated at a loss. That does not imply that the head office established these branches with the idea of incurring a loss for all time to come: they were opened up for what they might become in the future, in the hope that they would serve to benefit the community, and its growth would react to the advantage of the bank in time. But in the meantime they are a loss: another cogent argument against the likelihood that a local bank of limited resources, dependent on a small locality, would have been able to open up and maintain a branch in many of these 60 small centres for any length of time, lacking the enormous cash resources of the larger banks under the Canadian system.

It has been claimed that the Western bank managers have "mighty little authority"; that they are "little better than head clerks," and "every transaction that contemplates the expenditure of more than a few thousand dollars has to be decided upon by Eastern directors, some of whom have never been in the West at all."

Authority of Managers

The truth is that each manager is set a limit to the amount he can lend any individual on his own authority. This is a business precaution. Here the limit is $1,000; there, $2,000; or in that case the manager can give credit for $5,000 on his own responsibility—and the two latter amounts constitute by far the majority of Western loans. In a few cases the final decision is made in the East, but more and more it is becoming the policy of the banks to constitute Western Boards of Directors, who decide on all save the very largest of loans required, and even in these cases the practice is for them to send in a recommendation if they think the credit should be granted, and seldom does a refusal follow from the "Eastern directors."

In the case of one bank that is expanding rapidly in the West, there is a Board of Directors appointed at Winnipeg, who decide on all applications for credit of the Western men, and these men comprise some of the oldest, most experienced and successful and respected men of the West, who certainly know growing wheat when they see it, and who would not find it very difficult to "differentiate between a steer and milk cow." In another case a bank has a representative in the Winnipeg office as supervisor, who has been in the closest touch with Western life for many years. So it is with most of the banks and will be more and more. Whatever incongruity there has existed in the banking system in this direction is being rapidly remedied. In so far as deciding credits is concerned, this lies now, for the most part, in representative and fully responsible Western hands.

This policy of securing an intelligent decision in the case of farm credits, a decision based on knowledge of actual conditions, had become imperative, not only in order to do justice to the applicant himself, but as self-protection to the banks. In the West in the last twenty years some 800 branches have been opened up. In the earlier years the crops averaged up pretty well, but some six or seven years ago there came a succession of poor crops, and then the losses piled up for the banks by the hundreds of thousands of dollars. It was discovered that a fair proportion of the men on the farms were not experienced farmers, and that experience in farming was a requisite in the West as anywhere else; that grain growing must be relinquished for mixed farming in many localities if a repetition of crop disasters was not to result. As the head of one bank in the West put it in a recent address: "If we had been lending to farmers we would not have lost so much money, but the point is that in many cases we were not and we did not know it." He went on to state that criticisms levelled at the banks was not that they were not giving enough credit, but too much. He continued:

"The pinch came after 1913-14, and the lesson we learned was that in order to lend money safely in a newly settling country — where a large percentage of the men on the land are not trained farmers — our branch managers must have a knowledge of fundamentals of tillage and some knowledge of livestock. So we set about diligently—and for the past five or six years it has been our supreme task—to train our managers so that they would be qualified to distinguish between good, bad and indifferent farmers. We made it a point that they should not be purely office men. Now practically every country manager has an automobile and the rule of the bank is that he must get about the countryside and endeavor to visit each of his farmer customers once a year; he must gain a first-hand knowledge of the man's farm and the man himself; and he must record his information as to each one of his customers in such a complete and comprehensive manner, that if we moved him to some other branch his successor would be able to start in where he left off. Formerly the absence of sufficiently complete records was one of the weaknesses of the Western banking situation. In the past five or six years our aim has been to give the farming community a service of the highest efficiency possible . We have made it the key-note with our managers, that it is just as serious a mistake for them to refuse credit in a single case to the right man, as it is to make a loan to the wrong man—indeed, we have told them it is worse, because if we make a loan to the wrong man it is only our own loss; whereas if we refuse credit to a man who ought to get credit, then it is a reproach against us as regards our service to the community at large.. We have impressed it on our managers as strongly as we can that we wish them to give to the farming community a service of which we can be proud. That is the one mandate that comes to me from my head office, and that is the mandate that our managers have. Their own success depends on their building up their business, to do which they must win and deserve the good-will of the farming community."

Another point at which criticism is levelled in the West is that many bank managers do not devote themselves solely to banking; they are agents of various kinds, real estate men, they write insurance, life, fire, automobile, and hail. Or they hold some local office.

Against Other Business by Managers

Conditions such as this do exist, but to a decreasing degree. THE FINANCIAL POST heard of one instance where a bank had taken over some branches in the West. Shortly afterwards a letter was sent out to all the newly adopted managers, notifying them that after the first of such a month they must discontinue all outside business of every sort; that they could not even take a commission of any kind; if they did, they would be "fired." This was not the literal reading of the circular; this was the rather terse rendering by the man who largely would be responsible for the enforcement of the edict. Another bank some time ago ordered all its new managers to discontinue other forms of business; and all old managers, when transferred to a new branch, must close up forever the old insurance business they had carried on, and the new men could not come into it as a legacy.

Helping in Hail Insurance

One bank to-day does permit, and in some cases encourages its managers to deal in hail insurance; this is in a section of a Western province where this is prevalent, and, it is argued, for the most part admitted by the farmers there most willingly, that this particular bank has been the means of certain districts being able to secure policies against hail damage that otherwise would have been passed over by insurance companies. Their districts, through the strange vicissitudes of hail practice, had been struck year after year, and no company would have been willing to take the risk had the bank not insisted that they accept the "lean" with the "fat." Moreover, in some cases the bank manager has needed the extra to make his salary sufficient: but the most of the banks have taken a decided stand against this division of the manager's energies and interests—something that a weak local bank would hardly have been able to do in a struggling branch, and would have welcomed the outside perquisites as a lessening of the heavy "overhead" expenses.

Easier Than Tariff to Solve

More and more the Canadian banks are seeking to improve their service to the West. They need the goodwill of the West, and the business of the West, and there is evident an increasing recognition of the fact that only an intimate knowledge of conditions of the West can solve the banking problems of the West. And the better the policy underlying the conduct of the banks in the West is known, the more it will be appreciated. And in making known this policy, and in applying it intelligibly, the Western manager will play a larger and larger part. As the seeming cleavage in tariff sentiment between East and West must be solved, so the antipathies over banking practice must be reconciled, and the latter is a much easier task than the former.

ENGLAND MAKING EFFORT TO RETURN TO GOLD STANDARD

Continued from page 21

banks has made more progress in England than in any other country, but there are still great possibilities along this line. The movement toward centralization is limited in the confines of human nature, and the process of merging great banking institutes one into the other, will have to stop some time soon because the charges for service in the concentrated banks will become prohibitive.

The most interesting changes have taken place within the past year and have resulted in the complete remodelling of the banking system. Throughout the war London has been remarkable for the completeness of its financial advantages, and will owe its important position in the world of trade to the bankers who have operated with such wonderful insight and view to future conditions.

Five Large Amalgamations

The first step towards concentration was taken in November, 1917, by the amalgamation of the London and South-western Bank with the London and Provincial Bank, which was followed within two months by no less than four big amalgamations, and for a time the business men of London held a great fear that the concentration would cut out healthy competition between the banks and the Government appointed a committee of inquiry, which decided that every new amalgamation should be subject to Government sanction.

The ease with which funds necessary for carrying on the war have been subscribed by the public has caused a great wave of optimism regarding money matters and resulted in the lavish expenditure which is reaching its height in London to-day. The wastage of money is appalling, and absolutely no account is taken of the terrible moral effect it is having on all classes of society. If Britain had begun a campaign for war saving and ordered economy, making useless expenditure something bordering on the criminal, the cost of the war probably could have been reduced by millions.

According to conservative bankers this pleasant vice of inflated currency will have to be paid for dearly. The world is paying now in the high prices, and the high prices are expressing themselves in the stagnation of industry and general industrial unrest and discontent. The transition from war to peace is being delayed because everybody realizes that present prices are artificial and cannot be maintained, yet nobody knows which way to turn or how to act until they are scaled down.

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1890	12,493,883	22,596,520	42
1910	126,834,253	157,053,015	222
1915	194,523,078	250,421,840	373
1918	**353,158,816**	**440,310,703**	**387**

The Bank has now over 450 branches well distributed throughout Canada as well as branches in other countries, as follows:—London, Eng.; New York, San Francisco, Portland, Ore., Seattle; Mexico City; Newfoundland (4 branches); St. Pierre and Miquelon.

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